

## More than tenure mix: Developer and purchaser attitudes to new housing estates

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**MORE THAN TENURE MIX:  
DEVELOPER AND PURCHASER ATTITUDES  
TO NEW HOUSING ESTATES**



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# **MORE THAN TENURE MIX: DEVELOPER AND PURCHASER ATTITUDES TO NEW HOUSING ESTATES**



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**Rob Rowlands, Alan Murie and Andrew Tice**



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# Executive Summary

## Mixed tenure housing developments

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- 1 There has been ongoing interest in the UK about the development of balanced, sustainable communities. This has focused on ensuring mix within communities and the main tool for achieving this in new housing estates has been the mixing of tenure. Underpinning this approach has been increasing concerns about the segregation of low income households and the problems which arise from a concentration of deprived households.
- 2 Despite continuing to use tenure mix as the main tool to address these problems, the elements which contribute to making mixed tenure housing developments successful or which put them at risk are not widely understood. This leads to considerable confusion between key stakeholders. While there is strong support from the policy community for mixed tenure development there are also concerns about the lack of support for tenure mix from some key stakeholders, and about the different types of development and integration that are compatible with the idea of tenure mix.

## Income mix, social mix and social interaction

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- 3 In this report we take the notion of tenure mix and deconstruct its meaning and interpretation. Tenure mix has been seen as a means of delivering income mix, social mix and social interaction and is sometimes used as a short-hand for any one or all of these. In practice, however the concepts and categories involved are each distinctive although they do overlap to some extent. The research presented explores these distinctions in the context of new housing developments in different parts of England.
- 4 The aim of this study has been to identify the attitudes of house builders and those living in new housing estates towards mixed tenure housing. It sets out their opinions of the housing, its environment and the 'community' which is created and the impact that tenure plays on the sale and values of housing.

## Challenging myths

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- 5 The conclusions of this study raise important issues which challenge a number of commonly held myths about the delivery of mixed tenure on newly built housing estates. In particular the study finds that:

- High quality, mixed tenure developments can be delivered successfully. Developers regard mixed tenure as the norm in urban areas because of planning policy and in most cases are willing to accommodate it as part of their proposals. In some cases it is the private developers who have the more positive outlook on integrating mix successfully.
- The risk that mixed tenure estates are difficult to sell, or that property values are affected can be eliminated by ensuring the quality of other aspects of the development of the estate and offsetting any anxieties that arise. Factors including location, the design and quality of the houses built, the quality of the wider design of the estate and the environment are critical in decisions to buy properties.

## More than tenure mix

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- 6 However, the study indicates that tenure mix alone is an insufficient and imprecise tool for delivering social mix and longer term sustainability for newly built neighbourhoods. Tenure mix cannot be accurately managed after construction. Mixed tenure policies are premised on the notion that social rented housing will exist alongside open market housing inhabited by owner occupiers. Furthermore it is assumed that these distinctions will create sufficient conditions for income and social mix to be created and for social interaction to be fostered. This research has identified that this simple assumption is not the case:
  - The high levels of private rented housing emerging in some new developments means that planned tenure mix is not achieved. Some estates have much higher levels of rented accommodation than was envisaged because of investment by private landlords.
  - The income mix and social mix created on the estates is the result of the housing type and size of dwellings and the position of the development within the local housing market. Tenure plays a part in shaping these conditions but does not dictate the mix alone.

## Implications for future developments

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- 7 In view of this our report has significant implications for the future development and implementation of planning policies for the creation of new sustainable communities:
  - It is important to build high quality housing with a mix of dwelling sizes and types that would work with different tenure mixes and to adopt approaches

that require the management of privately rented property to conform to certain specified standards.

- Sustainable mixed tenure development requires some longer-term value management, ensuring that services and facilities are maintained at a high level by investing in continuing asset management and neighbourhood governance.
- Housing associations, planners and developers working to produce high quality mixed tenure developments need to understand each others' concerns and to balance a number of considerations:
  - Developers will increase density in order to make mixed tenure developments work.
  - High density developments may include few opportunities to house families with children and will fail to create mixed communities in this respect.
  - It may be difficult to achieve high quotas of affordable housing and at the same time to include family housing for sale within developments.
  - In some cases it may be appropriate to adopt more flexible approaches to tenure mix in order to achieve other types of social mix.

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**8** None of the evidence from this or other studies suggests that tenure mix is undesirable. The implications are, however, that tenure mix is not a sufficient approach by itself to build successful communities which will house lower income households and prevent the segregation of the poor.

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**9** If the development of new housing estates in the future is to achieve the dual goal of sustainability and balance it is vital that stakeholders start to address these issues to prevent the mistakes of the past being repeated.

*Rob Rowlands, Alan Murie and Andrew Tice*  
*January 2006*



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# Chapter One

## Introduction

There has been a sustained debate in the UK about the development of mixed tenure neighbourhoods. These have been increasingly presented as a key mechanism to reduce social divisions in British cities and produce mixed rather than single income communities. The origins of the debate lie in increasing concerns about the segregation of low-income households and the problems which arise from a concentration of deprived households.

The viability of new mixed tenure housing developments has become a key area for debate in relation to housing, planning and urban policy in the UK in recent years. The elements which contribute to making mixed tenure housing developments successful or which put such developments at risk are not, however, widely understood and this leads to considerable confusion between key stakeholders.

This report presents the outputs from research carried out with the support of the Joseph Rowntree Foundation and designed to add to the evidence base related to new, mixed tenure housing developments. The research provides an assessment of key issues related to new residential development of mixed tenure areas in England and considers the impact of mixed tenure housing on property values and other aspects of their development. It assesses the features of mixed tenure development that present fewest problems in terms of property values and evaluation by developers, planners and residents. It refers to the factors perceived as most problematic and creating the greatest risk and factors that are most associated with successful mixed tenure development.

The research reported has involved the collection and analysis of a range of different data including a review of existing literature, interviews with developers and other stakeholders, case studies of different new developments and survey work involving interviews with purchasers of newly built properties in new developments.

The results of the research are set out in the following six chapters:

- Chapter Two sets out the policy background and current policy debate together with the research questions answered in this report.
- Chapter Three presents the attitudes and experiences of developers who have engaged in mixed tenure developments.

- Chapter Four gives details of the seven case studies undertaken in the research illustrating common themes across them.
- Chapter Five presents the results from interviews with households living in privately owned properties on mixed tenure estates.
- Chapter Six analyses data on property values to add to the assessment of the impact of mixed tenure development on property values.
- Chapter Seven summarises the direct lessons related to the objectives of the research and the implications for policy and debate concerned with tenure mix and social mix.

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## Chapter Two

# Tenure mix and policy perspectives

In the UK since the mid-80s there has been increasing concern about two related housing issues:

- the shortage of affordable housing arising because of the reduction in the rate of building of council housing, the sale of social rented housing and the periodic rapid increase in house prices; and
- segregation associated with social housing and arising because of increasing income and social inequality and the loss of advantage, reputation and status of social rented housing.

In this context the tendency has been to argue for increased provision of affordable housing but not in segregated single tenure neighbourhoods. In order to avoid postcode stigmatisation, ethnic and income segregation and other patterns of segregation more comparable with cities in the USA, the merits of mixed tenure developments have increasingly been identified.

The government's approach to the provision of affordable housing has shifted from one based on building council (or housing association) housing to rent to one in which the planning system is used generally to require developers to include affordable housing in new residential development schemes. Such affordable housing may be provided for rent through a social landlord or may meet other criteria that makes it affordable (including shared ownership). Local authorities have increasingly come to rely on this source of housing using their powers under section 106 of the Town and Country Planning Act 1990 (in England and Wales) to set a proportion of development which must be affordable in most cases and negotiating the delivery of this with developers. As this approach has become critical to housing policy so the concerns about its feasibility and about capacity to deliver have come into question.

### The context

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The changes in the British housing market have meant that social rented housing has become associated with low-income and benefit dependent households. The social rented sector has changed its characteristics and the mix of population within it. The research evidence shows that in the past council housing in Britain often crossed social class boundaries and its high quality meant that it appealed



predominantly to the affluent working class, rather than to the poorest sections of the population (Cole and Furbey, 1994; Harloe, 1995). However, there is a considerable literature which has charted and accounted for the narrowing social base or residualisation of social rented housing since the 1960s (see for example, Forrest and Murie, 1983; Murie, 1997). The consequence is that this tenure is seen as synonymous with low income. Social rented estates are seen as single tenure poverty neighbourhoods rather than neighbourhoods housing affluent working class households and a mix of incomes, lifestyles, ages and attitudes.

One consequence of residualisation and changes in housing preferences and aspirations has been the growth in the number of poverty neighbourhoods and less desirable estates. The literature on council housing always identified both dump estates, which were significantly stigmatised, and high prestige, high status council estates. The impact of the sale of council houses under discretionary policies and, more significantly, under the right to buy speeded the trend to residualisation of social rented housing. While it introduced some element of tenure mix into almost all council estates, there is less tenure mix on less desirable estates. Sales of council houses have been lower among flats, maisonettes and non-traditional property designs and have been highest in the traditional houses with gardens and three-bedroom houses in particular. The high status and high prestige estates in many areas now have a very high proportions of home ownership. This means that not all council estates have been residualised to the same extent as the council or social rented housing tenure. However, the less attractive and popular estates have less tenure mix and have become residualised along with the tenure.

This pattern of change refers to the tenure as a whole but there have been important contributions which have focused upon new estates. For example, David Page (1993) picked up the general analysis of changes in the social rented sector and commented on the implications of this for new, single tenure, housing association estates. A series of issues, initially associated with high child density, suggested that problems were emerging in these estates because of wider changes in attitudes to and the dynamics within housing tenure.

So what is tenure mix? The debate has highlighted the prejudices and stigma which has accompanied residualisation and attached to council and housing association tenants. It has contributed to the equation of home ownership with middle and higher income and social renting with low income. The policy response has been to encourage a mix of social rented and private housing on estates on the grounds that this will deliver mixed income, balanced new communities. In doing so it has presented home ownership as a surrogate for high and middle incomes and social renting as a proxy for low incomes. However, this has failed to understand the fragmentation of tenure on new housing estates and in particular the role played by

private landlords in the purchase of open market property.

## The new drive for mixed tenure

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There has been renewed emphasis on the development of mixed tenure housing estates. Behind the drive for mixed tenure is the idea that tenure mix will deliver income and social mix, reduce social and economic inequality, increase social inclusion, choice, and community strength and contribute to urban renaissance. The DETR circular on planning and affordable housing (DETR, 1998) stated that whilst its primary objective was to ensure that there was enough housing to meet the quantitative level of housing need, local authorities should also ensure that there was a mix of types of housing to encourage the development of mixed communities. The reference to types of housing is normally taken to refer to tenures although Groves *et al.* (2003) emphasise that dwelling size and type may be equally important in creating social mix. In particular, where there is a high concentration of one dwelling type (most obviously one-bedroom flats) the risk that there is little variety in types of household is much greater.

The Urban Task Force report *Towards an Urban Renaissance* (1999) argued that mixed tenure development, together with high quality design, was important for the long-term sustainability of urban areas. It made the connection between mixed tenure and social mix assuming that one will deliver the other and that this will have additional benefits, for example through the recycling of spending power within the local economy. It also highlighted the housing choices which would arise within the neighbourhood. The Urban Task Force explained the case for tenure mix as follows:

*Whether we are talking about new settlements or expanding the capacity of existing urban areas a good mix of incomes and tenures is important for a number of reasons. By helping to bring about a more even distribution of wealth within a locality, it can work towards supporting viable neighbourhood facilities, with more possibility of spending being recycled through the purchase of local goods and services. For households, a mix of tenures provides options to change their tenure to meet changing circumstances, without necessarily having to leave the neighbourhood – a factor favouring community stability (p.65).*

The report went on to say:

*For such policies to work, they have to look beyond the development framework, at how we define 'social' or 'affordable' housing, and how we manage this element of the housing stock (p.65).*

*Our system has encouraged the concentration of poverty, need and families with problems, in a residualised social housing sector, as the worst cases move to the top of*

*the list and often end up being concentrated in one area. Instead, we need to support the design of neighbourhoods where different types of housing are fully integrated (p.66).*

The Task Force argued that instead of being merely a numbers game, planning new communities involved a qualitative element that the quota system, usually implemented through s106 agreements, did not easily accommodate. It is also important to note the emphasis placed on the management of both estates and residents by this report. The onus for management is placed on the social sector rather than across tenures.

The support for mixed tenure development is widespread in the housing policy community. For example, in the *Submission to the Home Ownership Task Force* (NHF, 2003) by the National Housing Federation it stated:

*The Federation supports the moves in policy away from the mono-tenure development and considers that there should now be a general presumption that housing developments cater for the full specification of needs arising within a community. Funding, planning and land policies need to adapt to reflect this new imperative (p.1).*

*The Sustainable Communities Plan, and subsequent Government statements have emphasised the importance of social and economic diversity in creating sustainable places where people will continue to wish to live. In the experience of our members, the benefits of creating mixed income communities applies equally to existing residential settlements, which may need to improve the tenure choices available to residents, as to newly developing growth areas (p.2).*

*Policy should aim to provide the right mix of tenure products in the right places – and facilitate smooth transitions between them when residents' circumstances change (p.3).*

Some of these considerations have been incorporated in planning policy. The revised *Planning Policy Guidance* (PPG3) (ODPM, 2002) set out the need for mixed neighbourhoods that provide 'lifetime communities', a balanced demand for community services and facilities, and enable community self-help and security. There is an assertion that mixing housing tenures will contribute to this:

*The Government believes that it is important to help create mixed and inclusive communities which offer a choice of housing and lifestyle. It does not accept that different types of housing and tenures make bad neighbourhoods (p.1).*

However, of greater importance is the fact that the planning system has not been comprehensively revisited in the manner that Rogers suggested. Therefore the ability to address and deliver subtle tenure mix through a range of housing options whilst delivering affordability and choice for all remains uncertain and questionable.

## Concerns about delivery

Whilst support for mixed tenure developments is strong within the policy community, the ability to deliver these high quality, cohesive and sustainable mixed estates is less clear. The enthusiasm of developers to build such schemes and moreover the willingness of house purchasers to buy into and live on these estates is crucial to the success and implementation of these policy goals but there are a number of concerns about delivery.

### Dimensions of tenure mix

An initial concern relates to the different dimensions of tenure mix. When policy makers and others refer to tenure mix they generally mean the juxtaposition of social rented housing alongside market housing – and the latter is usually perceived as owner-occupied housing. UK policy towards tenure mix is framed and constrained by the British planning system. The basis for tenure mix is the need for developers to provide an ‘affordable’ housing element within developments over a particular size threshold – this varies between local authorities but is typically a development of 25 or more dwellings. Developments which are above this threshold are required to include a quota of affordable housing. This is a quota justified by the level of need for affordable housing and tends to be between 20 per cent and 50 per cent of the dwellings in the development. The quota varies between local authorities and developers will negotiate for a more favourable proportion where possible. Typically the only way to guarantee affordability in perpetuity has been to develop social housing and in recent years this has involved housing association activity. Even this has limitations. In some cases, where there is a section 106 requirement, the contribution to affordable housing may take the form of social rented housing developed on a separate site – not creating a mixed tenure neighbourhood. Affordable housing is developed in a separate enclave on the same site or elsewhere – in either case planning obligations are met but without tenure mix.

However, ultimately it is different tenure mix approaches which shape the outcomes on estates. Groves *et al.* (2003) referring to the Bournville Estate in Birmingham suggest that the key dimensions that make mixed tenure estates work are less about the proportion of properties in development in different tenures but about the degree of integration. They identify different types of tenure mix (labelled as segregated, segmented and integrated), as alternatives to single tenure areas. In some cases there is a close integration between properties and in others the integration is very poor and there are blocks of social rented housing separated from blocks of owner-occupied housing.

This theme is also picked up in a recent House of Commons Select Committee report (2003). It points to some of the prevailing beliefs amongst key stakeholders

around their scepticism of the success of fully integrated tenure mix:

*Private house builders oppose putting social rented housing alongside market housing for sale, because of the reactions of prospective purchasers. The Royal Town Planning Institute said that developers regularly produce counter proposals for offsite affordable housing provision. Moreover, lenders were concerned about the impact on property values if different tenures were integrated (para. 92).*

The evidence presented to the committee implied that scepticism over house builders' performance was underpinned by regulation, local planning authorities' willingness to accept segregated sites and housing associations' inflexible management of integrated estates:

*The restriction imposed by the Housing Corporation on housing associations developing housing for outright sale is limiting their ability to secure mixed tenure development. The Housing Corporation should enable those associations with the expertise and resources to take on a wider role in developing mixed tenure developments (para. 99).<sup>1</sup>*

*Mixed tenure development can create more sustainable communities; but at the moment they tend to segregate private housing for sale, shared ownership and social rented housing on different parts of the same site. In too many cases, councils are accepting payments from developers for off-site affordable housing as part of their planning obligations rather than integrating their schemes (para. 98).*

*Housing associations are often not keen on managing housing that is dispersed across a large site. The Development Land and Planning Consultants said: 'It is more economic to manage a group of houses together than if they are pepper-potted across an area, be it a larger expansion or throughout the established parts of a town.' Most housing schemes led by housing associations now include a mix of social rented and shared ownership homes but few have developed market housing for sale (para. 94).*

Further evidence refers to concerns about the delivery of a product which consumers are willing to purchase. Research by the House Builders Federation and funded by the Halifax Bank (*Housing Today*, 2000) requested feedback from prospective home buyers on their attitudes towards issues such as high density urban living, mixed use and mixed tenure. Most home buyers were reported as wanting to live in communities separated from others of a different class and social status:

*The great majority view is that there should be more segregation by life stage and social status, not less ... There was approval, from a minority, of the idea of having a social mix in housing developments in order to avoid having housing ghettos of poorer families ... Nevertheless the majority views were not in favour of mixed housing communities. The majority of people preferred to live near communities like themselves.*

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<sup>1</sup> This position has changed and a growing number of RSLs are involved in developing housing for outright sale, as demonstrated on page 33-35.

Such evidence about consumer resistance has been used by some commentators and developers to question the extent to which mixed tenure communities are deliverable and this provides a foundation for opposition to mixed tenure development. But with limited published evidence it is not clear the extent to which this purchaser opposition exists.

### **Underlying assumptions**

As highlighted above, the current enthusiasm for mixed tenure development is underpinned by an implicit assumption that tenure mix will deliver social mix. With social mix an important ingredient in the delivery of sustainable communities which are underpinned by inclusivity, tenure mix is seen as the tool for delivering it. Yet it is unclear as to what extent mixed tenure equates with social mix. Within this are two elements: firstly that mixing tenure creates a mixed social, economic and demographic profile; secondly that within the neighbourhoods there is a dynamic which encourages everyday social mixing.

In respect of the first of these elements, it is clear that mixing tenures can have some impact on who lives in an area. By mixing social rented and market housing it is likely that a range of income groups can be encouraged to live in the same neighbourhood. However, this range will reflect the nature of the private housing. The higher up the housing market the private housing is, the less likely developers will be to accommodate tenure mix. This may be because the developments involved are smaller and fall below the threshold where planning quotas apply or it may be because the planning obligation has been met by offering commuted sums and so meeting their planning obligation in a different way. The outcome is a more limited demographic and social mix.

The effect of social mix on the dynamics of the neighbourhood is less clear. Jupp *et al.* (1999) has demonstrated that mixed tenure neighbourhoods do not necessarily result in neighbourhoods with interaction or mutual support between people in different tenures. Often interactions are created where people have lived on the estate for a longer period of time or where children attend the same schools. Neither of these are associated with tenure mix but by the passing of time and organic growth. This is supported by the results of Beekman *et al.* (2001) who suggest that cross-tenure networks are more likely to exist where tenure mix has grown organically, for example through the right to buy. Overall, the similarity of the socio-economic profile of residents and a range of factors (including family connections, work place interactions and shared interests), have a stronger influence on social mix than tenure.

### **Factors for successful tenure mix**

Jupp *et al.* suggest that the expectations residents come with have some role in determining the extent to which they identify problems and hold general

resentment about living in a mixed area. Those who have moved from nearby tended to identify fewer problems than those who have moved from a long distance. Jupp et al suggests they may have known more about the estate before arriving and therefore had more realistic expectations. Hiding the fact that an estate has a tenure mix appears to cause problems in some instances. There is evidence of more resistance from owners where they have purchased on what they perceived to be a single tenure estate or as proximity increases even when renters are the minority tenure. (Beekman *et al.*, 2001).

However, the over-riding factor in success is the layout of the estate and the integration of tenures. Both separation and integration are sometimes blamed in mixed tenure estates and Jupp *et al.* comment that, in general, house builders and housing managers tend to be worried that street level integration will lead to disputes between neighbours.

*Our survey suggests that, although some residents thought that owners would rather live away from tenants, it is wrong to conclude that integration causes more problems. We found an overall correlation between degrees of segregation of tenure types and residents actually perceiving problems with mixing tenures (p.73).*

Integration of tenures was not itself a problem and there was some evidence that physical integration was significantly correlated with positive feelings about living on the estate (p.74). Beekman *et al.* identify that spatial factors have a significant influence on social contact between residents in different tenures: as proximity between tenures increases, so do social contact networks. Conversely, where there is greater segregation, owners and tenants have less contact (p.59).

Both studies identify the role of good estate management in ensuring that outcomes on these estates are positive. Integrating home ownership with rented housing may create tensions which require a greater degree of management on the part of landlords if they are not to become a source of friction, whilst owners and tenants do not mind living together in mixed tenure neighbourhoods. This suggests that it is not just the proportionate mix or the degree of integration but the management and the quality of design and a series of other factors that make neighbourhoods work. In this context, Jupp *et al.* offer a number of conclusions. These are:

- the importance of keeping the environment of the estate well maintained;
- the importance of dealing with a few families who cause particular problems; and
- the need for official bodies to codify expected behaviour around issues such as noise, children and upkeep.

Because of the low social interaction across estates in general, and between owners

and tenants in particular, relying on the community to establish norms of behaviour is unrealistic. In the absence of a strong community, people in official and semi-official roles, are also needed to enforce these expectations of behaviour.

## Definitions

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As is illustrated above, the phraseology used to describe different forms of mix is used interchangeably and often inaccurately. For the purposes of this report we will use the terms in the following way:

**Tenure mix:** This describes the degree to which different forms of tenure are combined on estates.

**Income mix:** The existence of a range of incomes within an estate. This can be further broken down into:

- Narrow income mix: where income differentiation is limited, e.g. low and medium incomes together, medium and high incomes together or a range within one of these brackets.
- Broad income mix: where differentiation is between a wider range of income groups. This may or may not cover all income groups and may be polarised.

**Social mix:** Here we use this term to describe differences within the population. This encompasses income but also issues such as age differences, employment backgrounds and ethnicity. It is used here to describe the statistical mix which is achieved not to explain social interaction between groups.

**Social interaction:** We use this phrase to describe the dynamic within the estate and to understand the interaction which takes place between residents of different income and social backgrounds. We suggest that it is this factor which is ultimately important.

## Conclusions: New development questions

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While there is strong support from the policy community for mixed tenure development there are also concerns about the lack of support for tenure mix from some key stakeholders, and about the different types of development and integration that are compatible with the idea of tenure mix. None of the evidence suggests that tenure mix is undesirable, indeed the argument is generally one that tenure mix is a desirable but not sufficient approach to building successful communities which will house lower income households and will prevent the segregation of the poor.



While it is interesting to discuss the additional factors that would complement tenure mix and ensure success, this is largely an academic debate if we cannot in the first place even build mixed tenure neighbourhoods. While social landlords may be persuaded of the merits of introducing shared ownership or market sale housing in their developments, both in order to achieve tenure mix and in order to provide some element of comfort in business plans, developers are regarded as reluctant and unenthusiastic tenure mixers. Where section 106 or joint venture or other development is involved, requiring the provision of affordable housing alongside market development, one perception is that developers prefer to locate the affordable housing outside the main development or resist it altogether. They will not be impressed by arguments about the long-term development of neighbourhoods and their reluctance comes from concern about the short-term impacts on sales and property values.

We do know that, for example, properties on council built estates tend to be priced below the nearest equivalent of properties that are not on council built estates (Forrest *et al.*, 1995; Pawson *et al.*, 1997) but this relates to neighbourhoods that have already developed a reputation as council estates and not to newly built mixed tenure areas.

An initial question emerges from this discussion:

- *Do mixed tenure developments, and especially those which have a high degree of integration of properties from different tenures, perform less well in terms of the sale prices that are realised?*

A number of other questions can be identified:

- *What factors other than tenure mix have an impact on property values?*
- *What factors affect developers' willingness to embrace mixed tenure within their developments?*
- *What are the factors influencing purchasers' propensity to buy on mixed tenure housing estates?*
- *Which factors shape purchasers' satisfaction with mixed tenure housing estates?*
- *What evidence is there from recent new build developments which can inform policies about the development of balanced and sustainable new communities?*

These questions are central to the research and the rest of this report.

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## Chapter Three

### Developers' attitudes to tenure mix

This chapter addresses the attitudes of different stakeholders to tenure mix and draws upon interviews with developers completed during the present project. The research involved interviews with a sample of larger house builders operating in England. The following discussion draws principally on four interviews with executives operating at a headquarters level for different major developers or house builders and on interviews with developers and other key stakeholders at a local level as part of case studies of new developments completed in seven locations. The developers who participated in this research come from two distinct groups. The first were 'traditional' private sector house builders (sometimes referred to as speculative house builders), predominantly engaged in the development of market housing. The second group were registered social landlords (RSLs) who have recently assumed a development role in private housing. These RSL developers have a track-record of developing housing for rent but are now diversifying their activities into market housing.

Government policy in relation to mixed tenure developments has changed the relationship between local authorities, builders and developers, and social housing providers. It does not mean that builders and developers are involved in the provision of social housing for the first time. There is a long history of procurement of social housing using the private sector and of private developers working with local authorities and housing associations to provide rented housing, building for sale, and shared ownership.

The new phase of policy and the emphasis placed section 106 agreements has however changed the relationship. In assessing the nature of this relationship it is important to recognise the market context in which it has developed. The housing market nationally has been buoyant over the period since the mid-1990s, and the demand for housing has been sustained at a very high level in the South of England and large parts of the Midlands and North. The market has been further boosted by investor sales. In this situation, developers have been in a stronger position to absorb the impact of section 106 agreements. High prices and strong demand means that land still comes forward for development. Furthermore, the government's emphasis on high density urban housing developments also fits with developer strategies to meet the requirements of planning policy and their own assessment of the financial viability for these developments.

## What is tenure mix for developers?

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When developers talk about tenure mix, they are generally referring to some form of market housing alongside affordable housing – usually equated with social rented housing. However, developers do look for other tenure types to fulfil ‘affordable housing’ requirements. Shared ownership is the most often cited option that developers turn to and accept as the more palatable ‘affordable’ option. It is more profitable and seen as less risky than social renting because it carries less stigma and the potential impact on property values is less. Other options exist through intermediate renting, intermediate ownership options and restricted sales. One scheme operated by Bellway Homes enables purchasers to buy a percentage share in a full-market value property with the remaining value held by Bellway and repaid on the sale of the property. Such options require the support of both the developer and the lending institutions if they are to be successful. However, these alternatives are enabling a range of housing options to be developed for purchasers to choose from.

### Attitudes to planning requirements

Developers wishing to work in urban areas recognise that engaging in mixed tenure development is unavoidable if they are to secure development rights to a site. The majority of large housing developments are subject to planning obligations, primarily through section 106 agreements. The basic understanding by developers of the impact of section 106 agreements is that they represent a tax on the land owner rather than the developer. However, if the underlying market trend is buoyant, land owners are still willing to bring forward land for sale and absorb the tax. If there was a dip in the market less land would be likely to come forward. In this sense the ability to absorb higher levels of tax or higher rates of social rented housing within developments is fundamentally dependant upon the buoyancy of the market – they can still make developments work at 40 per cent or 50 per cent social housing, because there is still a residual value associated with private development.

This is especially true if a development is at a higher density. Fashionable support for higher density, promoted by government policies and built into the planning frameworks of the most cities, particularly the Greater London Authority, enables developers to make the returns required by themselves and the land owner, as well as achieving a high level of tenure mix. A sustained dip in the housing market would create a different problem. The nervousness of developers with the high build cost associated with high density development would also come to the forefront in this situation and issues about government subsidy would become more important. English Partnerships or others might need to put in more funding to enable the sums to add up.

## Approaches to tenure mix

There are examples of developers who either negotiate out of affordable housing and provide it off site or where the affordable element is provided in a clearly identifiable block. While the first of these would be described as a single tenure approach the latter involves a segregated approach.<sup>2</sup> Planning authorities are increasingly insistent on a more integrated mixed tenure approach. 'Clustering' is a term used by developers and highlights the scattering of non-sale properties across the estate in pockets. However, developers still have some distance to go to reach a position of tenure blindness:

*What we've seen is clusters of mixed tenure for practical purposes ... in many cases those clusters are at the behest of the housing association who want to put them into a manageable block for reasons of efficiency.*

Some developers have become enthusiastic about ensuring that all housing on estates, irrespective of tenure, should be developed to the same architectural standards, with no noticeable change in elevations of property or landscaping. This is a step towards tenure blindness. In a number of cases, developers argue that the differing standards set by housing associations and the Housing Corporation make delivery of a 'pepper-potted' or integrated mix difficult. The most frequently cited reason that developers are told is that it is to enable housing associations to manage their stock most efficiently. The enthusiasm is there from the more accepting developers to work towards a more integrated outcome.

Recent market changes have encouraged some developers to alter their strategies to secure their market position. Many house builders are in a precarious market (Adams *et al.*, 2005) with the possibility of takeovers a constant threat. Development is a risky business. Most house builders develop schemes without insulation from financial risk. Lower value market housing can assist in clearing developments once complete with more frequent transactions at the lower end of the housing market. As part of this mixed tenure schemes, especially those where a substantial element will be bought by a housing association, can underpin a development and make it stack-up financially.

For RSL developers, the development of outright-sale properties can enable them to cross-subsidise other affordable housing option, primarily shared ownership, but also use profits within its social rented business to support investment in their existing rented stock.

On the basis of this evidence we have identified a 'typology of developers'. While the developers we have interviewed have different but generally positive views of

<sup>2</sup> Agreement may also result in contributions which do not relate to housing services or the payment of a commuted sum which may be used for housing or other purposes.

mixed tenure developments we are conscious that we have mainly had contact with developers which have been active in this field. There is no common developer view and it is more realistic to conclude that there are different types of developer with different levels of commitment to mixed tenure development. Four types can be suggested:

- **Non-participants:** These are often smaller builders but include other developers who are antagonistic to mixed tenure development.
- **Reluctant participants:** Developers who will engage in negotiation and are willing to become involved in mixed tenure development but who will seek to minimise and segregate the social housing element.
- **Willing participants:** Developers who are more confident about mixed tenure development and see it as the norm to be managed by appropriate design and management.
- **Enthusiastic embracers:** Developers who see high quality mixed tenure residential areas developed in partnership with local authorities, housing associations and others as the way of establishing a strong business position and securing the long-term viability of new urban development.

### **What are the developers' definitions of success?**

The primary concern of developers is for successful sales of units from the development. With profit the underlying motive for private sector developers, sales are the key. There are concerns about the price secured for sales. In some instances developers will try to negotiate through tenure mix in order to secure their best position.

*We've had our moments, I'll be absolutely honest with you there have been developments where we haven't wanted social housing because we thought it would seriously adversely affect the values and I make no bones about that.*

Others are less open about this element and have overcome their concerns about mixed tenure development within their negotiation of planning and the development of after-sales care (e.g., estate management). For them, high standards of estate management, landscaping, built form and, importantly, the type of resident are important.

The notion of sustainable communities is essentially linked to sales for developers. A sustainable community helps build future sales for the company and is therefore part of a company brand rather than a direct investment in the community. Some developers are more concerned about sustainable communities than others. Both estate management and the mix of households are highlighted by developers as important factors in delivering successful developments.

## Creating estates that work

There is a growing recognition that products that work will be the products that sell both now and in the longer term. With growing housing market uncertainty, developers need to ensure that their profile is good.

Customers are vital to house builders successfully completing and disposing of developments. Although the immediate impact of unsuccessful estates on small developments can be negligible and only emerge when selling later developments, the longer term the success of phased development and on the company name is affected if the development does not work. One developer highlighted this in relation to a phased scheme in the Midlands:

*The first phase ... might only be a 50 or 60 unit scheme but that will set the scene for everything that we do across the wider area. So we've got to make sure that we get Phase 1 right because the people who are going to buy into Phase 1, and the people who we want to persuade to release land on Phase 2, maybe to move from one phase to another, we'll need them to buy into that and the best example we can give of why they should, is to show them what they could be buying into in terms of new homes, lower running cost, better maintenance and so on.*

This approach means that the external appearance and quality of a mixed tenure estate may be the same as a development where affordable housing is not explicitly included. However, it does mean that responsibility for managing any problems that arise is clearly defined and that the response is either managed in partnership or is openly demarcated.

Developers are less concerned about the integration of flatted accommodation in mixed tenure developments than where houses are involved, and are less concerned where the selection of tenants enables them to avoid larger families, or where the social rented housing is designed for more 'desirable' households such as Key Workers. Houses in different tenures are more likely to mean that there will be different household structures and the behaviour of children becomes an issue. This is not so much an issue about anti-social behaviour, but rather about different household composition and activities.

Developers identified examples of mixed tenure developments that did not work and referred to a number of factors that were responsible:

- social rented housing disproportionately consisted of significantly larger properties with four or more bedrooms than the other housing on the estate;
- it was all concentrated together; and
- the social housing became a focal point for complaints about behaviour and nuisance.

This was seen to have negatively affected the development of the whole estate. In this case it would seem that the mistake is not so much about mixing tenures but the failure to mix property sizes and to recognise the that a concentration of a particular property type will inevitably result in a concentration of a households which could give rise to tensions and conflict. This suggests size and integration of housing may contribute more than tenure alone.

### **Managing estates**

One of the strategies adopted by developers to make mixed tenure estates work is to introduce management of the estate. This is made more necessary in high density developments with flatted accommodation. The approach adopted to estate management varies considerably between developers. At one end of the scale, there are those developers who implement a standard and cost of estate management that they are used to dealing with on single tenure estates. This can lead to conflict with housing associations and their tenants, as well as some home owners, over the costs of service. Yet, these developers refer to the housing association as the problem:

*... in most of our developments we will put in a high level of management which our customers will be prepared to pay for, but that housing associations are less keen to pay for because they like to keep the management costs to a minimum.*

The issue of cost can disguise the quality of service. One RSL developer was told that they were uncompetitive in the market because of their service charge costs, yet after independent evaluation, their management service was shown to offer better value for money and was better defined to the leaseholder.

This approach is based on the view that there is resistance amongst private buyers to mixed tenure developments, and there are few objections if tenures are separated out, but is more associated with the view that the level of management in private sector areas is likely to be higher than is required by housing associations. In this case the developer has a panel of management companies who operate schemes that they regard as satisfactory, and these management companies enter into agreements to provide services as part of the leasehold structure. In some cases there may be some management services provided to freehold properties, especially in relation to environmental or external works.

At the opposite end of the scale are developers who want to work in partnership with housing associations to ensure a quality service can be provided to all residents on an estate. This can range from a housing association offering management services to all residents to the creation of new estate management vehicles, a partnership between all parties. One developer suggested that the way forward is the creation of 'community trusts' to commission, oversee and evaluate this kind of activity.

This developer referred to a conscious attempt to raise the levels of management within new estates, and it appears likely that this is even more important in high density areas. Developers do not want an after-sales reaction which could damage their reputation where the maintenance of the whole is seen as a problem. The logic of this position is that if housing associations were able to maintain the estate to the same standard as demanded in the private sector, the arguments against integration would reduce. There is some support for this in the view of developers that shared ownership is easier to integrate with private ownership than rented housing is. Therefore, it would seem that if the issue about different standards of management was removed, the real objection to integrated housing relates to issues about the people who occupy them.

## **Building sustainable communities and rebalancing local housing markets**

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Some developers highlight building sustainable communities as a motivation for incorporating mixed tenure into their development. Developing RSLs are increasingly venturing into the development of market housing. This has expanded from their role as providers of shared ownership and market rent units into the development of housing for outright sale. Such developments are seen to both rebalance housing markets which are often skewed in favour of majority (social) renting and to build more sustainable communities. As one developer noted:

*Communities work best if social housing isn't the dominant form of tenure and that's not just for social reasons. That's about people having enough money in their pocket to be able to spend in the local shop to make local facilities viable. One of the bigger issues on large single tenure estates is that the choices they have in terms of local food shopping, fresh vegetables and so on, are far worse than they would be elsewhere. Mixed tenure has a role to play there in having somebody buying things from the local shop.*

## **Developers' views of saleability**

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Most of the publicity associated with new housing development does not draw attention to mixed tenure developments. Developers report that potential purchasers do not ask about this aspect of the development. Those who do ask may, in some cases, be put off but developers have no evidence that this is a sufficient effect to impact upon prices. Some of those who ask will go ahead and buy in any event. It seems likely that potential purchasers generally accept that developments will have a mixture of owners and types of household on them. Many purchasers realise that the market works in ways that mean that they cannot be sure who their neighbour will be, or whether they will be owners or tenants. Developers also believe that if potential purchasers really have a strong objection to mixed tenure



developments, then they will probably look elsewhere rather than for this objection to be traded off against price.

Developers believe that purchasers look at developments in the round. Very few developments now have no mixture of tenures of renting and owning. Potential purchasers are therefore more likely to be influenced by the design, location and nature of the dwelling they are considering buying, and the development as a whole. There is no reason to believe that the tenure mix on the estate has an over-riding impact on sale price any more than any other single aspect of the development. A good quality development is seen as more marketable and saleable whatever its tenure mix, planned or otherwise, than a badly designed development would.

Rather than mixed tenure being the sole factor affecting marketability and market prices, developers draw attention to other elements insisted upon by planners – for example play spaces are often insisted upon as an amenity for children. However, they are seen by some developers as a potential source of difficulty, often citing teenagers using this as a congregating area. The rigidity of planning in these respects is seen as a problem. The overall implication of this is that the market has adjusted to a situation where development on brownfield land, high density development and mixed tenure development is seen as the norm. Practices have been developed to reduce the risk associated with this. Whilst these include enhanced management arrangements and more explicit agreements and relationships with registered social landlords, there is a recognition that in order to deliver on these obligations developers must adopt a particular product type in order to break even.

## Conclusions

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New developments generally have a mix of tenures. This is a consequence of planning policy but the activities of investors and the buy to let market means that developments may have mixed tenure patterns that have nothing to do with planned, mixed tenure or mixed income neighbourhoods.

In this context the developers we interviewed do not appear to be concerned about mixed tenure development as such and their views suggest that there is no reason for others to be concerned either. Nor does there appear to be large body of evidence that mixed tenure development affects the marketability of sites in a significant way or affects the values of properties that are sold. The impact that it has is upon residual land value, the type and density of development and the property types that emerge. The policy pushes developers towards higher density and different approaches to manage the risks that they see emerging from this policy agenda.

They have successfully developed approaches which manage the risk. For example, one developer indicated that they will try to separate out affordable housing and in effect develop two separate sites. This is not the approach adopted by all developers and even in this case continuity in design was seen as important. Although it was treated as two sites and ownership was concentrated in two parts of a single site, elevations and external appearances were the same, and there was concern to avoid creating a polarised development with a ghetto at one end or the other.

The opportunity exists to further improve on these arrangements with more integrated estate management arrangements and higher levels of service provision by their housing associations so that a high standard of estate management could be maintained irrespective of tenure. This has implications for rents and housing benefits. However, it would remove some of the reasons for a less integrated tenure development. Yet, even without this there is no fundamental problem in developing mixed tenure estates. The difficulties that exist can be overcome. They would be more easy to overcome if there was greater flexibility over standards. This relates to attitudes to space standards, eco standards, landscaping and estate maintenance. It would also be more appropriate to have a debate about alternative ways of achieving objectives. The rigid specification of proportions is not helpful in most cases as this can produce a skewed tenure and property profile. Developers appear keen to engage with planners to provide affordable housing but require flexibility if quality as well as quantity is to be provided.

Behind this, however, lies a further more fundamental view held by many developers, which is that if the planning system was freed up more land would come forward for development, more houses would be built, and the price would come down. Affordability and housing needs problems associated with shortage of supply would be reduced and the task which required section 106 or other interventions would be smaller. This is an argument that is superficially attractive and superficially conforms with the analysis in the Barker Review (HM Treasury, 2003). However, in the context of specific locations and the affordability problems that exist in specific areas, it begs questions about the timescale and the pattern of development which would result. At what point would sufficient housing become available and where would the more affordable housing be located? The uncertainties of this background mean that it is not an immediately attractive alternative to building on the successful experience of mixed tenure developments and seeking to achieve more developments in line with the best practice, which has emerged over recent years.



## Chapter Four

### Case studies of new mixed tenure developments

The research looked in detail at seven case studies. There were significant difficulties experienced in securing the involvement of developers in this phase of the study and a number of initial case studies were withdrawn at the request of the developer and/or the partner RSL. The case studies used in the study are summarised in Table 4.1.

Table 4.1: Case study areas

Name	Region	Size	Indicative tenure mix (numbers)	Indicative % for sale	Lead	Partner
Estate A	East Anglia	1,200 homes	900 for sale/ 300 affordable	75%	National developer	1 regional RSL
Estate B	South Coast	600 homes	480 for sale/ 21 shared ownership/ 99 for social rent	75%	National developer	2 local RSLs
Estate C	Manchester	649 homes	All for sale. Affordable housing in surrounding developments	100%	National developer	None
Estate D	West Midlands	1,200 homes	800 for sale/ 400 for social rent	66%	National developer	1 local RSL
Estate E	Greater Manchester	33 homes	27 for outright sale/ 6 below-market sale	100%	Regional developer	None
Estate F	East Midlands	96 homes	47 for outright sale/ 49 shared ownership	100% (50% shared ownership)	RSL	Local developer
Estate G	North East England	Various schemes	Various schemes	20% outright sale	RSL	None

The case studies have varying characteristics, particularly the form of the tenure mix and the motivations and practices of the developers involved. We have included four different types of developer and scheme:

- **Traditional mixed tenure schemes:** Estates where social housing has been developed alongside properties for outright sale. Social housing is usually the result of planning conditions for the inclusion of affordable housing. It is the most typical conception of mixed tenure and the one implicitly assumed by policy and most practically delivered by the planning system.
- **Market balancing and regeneration:** Estates where private housing dominates

the development but is being used to rebalance the local housing market away from a dominant social rented sector.

- **Accommodating affordable housing:** Where 'affordable' housing has been accommodated within a development in ways other than social housing. A compromise between developer and local planning authority. Usually smaller sites.
- **RSL as market developers:** The emergence of RSLs as the lead developer, commissioning and taking the risk for the full development. Used as a means of cross-subsidising mainstream activities, e.g., meeting the Decent Homes Standard.

The research carried out in each of these case studies involved interviews with key actors in each development: the local authority planners, the housing associations involved and the developers. We obtained any detailed data related to each case and built up an account of the stages and process involved.

## Traditional mixed tenure schemes

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Both these case studies are large developments of homes for outright sale and social renting.

### Estate A

This estate is a large scale brownfield development, in this case the former use was as an airfield. The development process was initiated by the local authority. Based on assessments of the local housing market and trends in recent developments, the decision was taken to develop the site for high quality, low density family housing. The development process was controlled to a degree by the local authority: rather than sell the site to the highest bidder, the local authority entered into a joint partnership with a national developer. A 'beauty contest' was held by the two organisations to appoint suitable RSLs to deliver the affordable homes on the site.

The initial phases of the estate development show clear differentiation between the social rented properties and those for outright sale, but this has changed in later phases with a concerted effort to 'pepper pot' properties. As far as possible small clusters of social housing have been intermingled with private housing. To achieve this, the developer developed all properties using the same design and materials standards.

Estate management is divided between private properties and the housing association. The developer has maintained the open space around the private

housing and is responsible for management of common areas in apartment blocks. The RSL undertakes estate management of their properties. There is some tension in this arrangement: The RSL is concerned that pepper potted properties are too dispersed making management more difficult and expensive; the developer is concerned that the housing association does not have a permanent presence on the estate.

Overall, Estate A is seen as a success. Sales have been good and the development is popular. The developer recognised that as part of every new development an element of social housing must be provided. Providing social housing can be integrated well with open sale housing then the developer does not believe that there should be many problems. This has been adequately achieved with estate A due to the design code that the developer, the local authority and the housing association have adhered to.

### **Estate B**

This is a brownfield development on a former factory site, approximately ten miles from the centre of Southampton. At 30 acres it was one of the largest brownfield development opportunities in the South of England outside of London. It was developed by a national house builder and has included both energy saving innovations and design practices such as Home Zones. 700 homes have been developed on the site, 20 per cent of which are affordable. The affordable housing element is split between properties for rent and shared ownership. The development process was led by the local authority. They selected two local housing associations to partner in development, marketing and managing the affordable housing element. The developer has fitted into this arrangement and has followed the majority of the masterplanning which was undertaken prior to development, although they did highlight the need for increased flexibility on the part of the local authority. They did not just require the 20 per cent quota, but also specified the size of units, houses and flats, and shared ownership contributions. There was some discussion about these elements. Overall they had allowed about £800,000 per acre as the impact of affordable housing requirements on land value, although the view was that it was undesirable for the council to be so prescriptive they were happy in view of the whole package.

The affordable housing element on the site was set at 20 per cent despite the local authority being in the process of increasing the level to 30 per cent. A 20 per cent level is lower than comparable developments in surrounding local authorities. However, the high level of social renting in the surrounding area and the planned high density of development has meant that this is balancing the local housing market and the lower quota of affordable housing has been acceptable.

Across the estate there has been a largely successful integration of tenures. Design

standards have been similar in all parts of the development with the same elevations used by the developer for both affordable and market housing. The integration has been based around the clustering of affordable units in various parts of the site. There is no integration of tenures within blocks of flats. It is difficult to distinguish tenures across the site apart from details required by the Housing Corporation which are absent from market properties (e.g., bin stores) and signage around the site alerting people to RSL estate ownership and management (e.g., housing association logoed 'No Parking' signs).

The letting of new social rented housing coincided with a need to rehouse households from another housing estate undergoing clearance. This enabled the housing association to have a greater number of mature and established tenants on the estate and to avoid high proportions of young families. The housing association has also been very conscious of the need to manage the letting of properties to minimise problems of behaviour which could affect the attractiveness of the estate. Estate management is fragmented between the two RSLs who manage property on the development and the developer's appointed managing company which manages only flatted elements of the development. There is no estate management applying to the private houses.

Overall, properties on the estate sold quickly. The location and the quality of the development seemed to insulate it from any potential adverse effect of mixing tenures, despite some initial problems linked to elements of the social housing albeit small in number. Sales were underpinned by a buoyant local market where demand was still higher than supply. The increase in the development size by 100 units meant the development moved lower down the market and may have meant that there was less resistance to social housing. It also reduced the differences in income mix on the estate.

Out of some 300 properties sold, only two were to families with children. This creates a real divide between the affordable housing where families with children are relatively prominent, and the market housing which hardly has any children. Additionally, there is a strong private renting presence on the estate. The developer did not seek to control this aspect through the sales process.

## Market balancing and regeneration

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### Estate C

Estate C in Birmingham is at the heart of a major regeneration project on the edge of the city centre. The scheme was instigated by the housing association in partnership with the local authority, part of the response to a successful stock transfer of five

housing estates. The programme has involved the demolition of 730, mainly high rise properties, and the development of 1,000 new properties, the majority of which are for sale but introducing a greater mix of property types and sizes whilst improving the quality of the social rented housing in the area. A national house builder with a limited track-record of mixed tenure developments was chosen as the lead developer for the scheme through a competitive process. They have been enthusiastic about the challenge of delivering urban regeneration through new housing. They were selected by the housing association and local authority because of their commitment to regeneration and their willingness to provide additional regeneration requirements including road improvements and a new park area at the centre of the scheme. These additions are paid for by the developer through the income generated by the sale of properties and any overage (also known as 'claw back' related to the increased value of land) is reinvested back in the area.

Although the scheme is still in its early stages a significant number of units have been sold. Demand for units has been high and units have been sold quickly off plan. There are controls over the level of institutional purchases by one group and purchasers can buy no more than three units. This is meant to limit the impact of the buy to let market. In reality it is difficult to control the cumulative impact of individual investor-purchasers buying single properties and the developer has advertised property for this market. The impact of the surrounding city-living 'boom' in Birmingham cannot be underestimated in this respect.

The management of the estate as a whole will be undertaken by a newly created estate services company which is a subsidiary of the housing association. The company was set up by the housing association to ensure a high quality of management irrespective of ownership. The developer is very happy to be involved in this process and see it as a model for future developments.

### **Estate D**

The major challenge in the area where this development has taken place has been to regenerate an entire district of a city. The estate is at the heart of a large former council housing estate which has been the focus of several regeneration initiatives and many research studies. The focus of the regeneration has partly been about rebalancing the local housing market as a means of injecting new vibrancy and sustainability into the area. As with the case in Birmingham, this area has benefited from a revitalised residential property boom in Manchester City Centre. This has enabled developers to be encouraged into the area.

This estate has been developed by the same national house builder involved in the development of Estate A. Its remit was to provide only open market housing. But this should be seen in the wider neighbourhood context of a mixed tenure



housing market. In early consultations there was a decision to put the RSL property in certain locations – two one acre sites bordering a main road in the area. There was some nervousness among all parties about having different tenures in close proximity, but in the end the private and social housing elements were built side by side and facing across the street. One of the RSL sites was built very early on in the development process and the other about half way through. The housing association were keen to have all of their homes on discrete sites, primarily for simplicity of management. They have acted independently from the city, discussing details of siting issues directly with the developer.

The developer did extensive market research on what would be sellable in this neighbourhood because of its very bad previous image. Two things were crucial – price and quality. To keep prices reasonable it opted to build mainly small units and because it was ten minutes walk to Manchester city centre it was suitable for young professionals and couples. Mortgage providers didn't see a market for sales in the area at the time to the extent that one major lender refused to lend on properties there. In marketing the development, the developer emphasised the critical mass of new housing and the scale of change and this was a major reason why they invested in the re-instatement of one of the main through routes in the area and in major infrastructure such as utilities as a manifest example of real, highly visible activity.

The sale performance has been mainly positive over several years. The prices were also very competitive for such product in Manchester at the time. There have been significant price rises for subsequent phases of new build but any overage goes back to central government as part of the original agreement. One problem in marketing terms has been attracting families despite having a good number of houses in the mix. The proportion of families has not been as high as the developer anticipated. They are not sure why but suspect that education concerns are a part of it. Bulk sales were forbidden as part of the deficit funding agreement. This was not so much for reasons of social cohesion or community stability as might be the case now – the buy to let market was not developed to anything near the current extent. Rather, it was more due to a desire not to suppress the market by taking large numbers of properties out of the system in one swoop. The developer accepts there is no way of stopping individual investor purchases in the area and all parties acknowledge that letting activity has increased in recent years.

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## **Accommodating affordable housing**

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### **Estate E**

As highlighted above, some developers are not enthusiastic about mixed tenure developments, particularly those incorporating social rented units. This

development in Cheshire was developed by a regional house builder. It is located in high priced and buoyant housing market area. The developer was opposed to social housing on the site. Whilst they are committed to developing sustainable communities, for them these are estates which have fewer differences. They worked with the local authority to provide an element of affordable housing units on site which would be sold at below-market value. The scheme that has been developed is small in size (33 units) but incorporates six below-market value units for sale. These units are retained as affordable through a covenant on each unit and the sales process involves the housing resettlement team at the local authority.

The overall design of the estate does not visibly distinguish between full-value and below-market value units. However, the affordable units are clustered in one part of the estate and in design terms have minor modifications to their elevations and reduced space standards. To the untrained eye there is no discernable difference. The experience of the developer has been that people have been unable to tell the two types of property apart on the estate without prior knowledge.

Management of the estate is undertaken by a sister company of the builder. This has ensured continuity between the development of the scheme and its management, guaranteeing the estate remains of a good quality post-development. Management charges are based on the actual cost of services and are divided on a pro-rata basis between all units.

Although there was concern that even the covenanted resale properties will have a detrimental effect on the value of other properties on the scheme, there has been no evidence to support this. Essentially all households are owners and so the distinction is not as great as between owners and renters. Secondly, the design of the scheme does not give any reason to recognise any difference.

The main problem is in the operation of the resale covenant. Although there are clear procedures for the local authority to follow, the operation of the system was felt to work to the detriment of sellers. It is drawn out and does not reflect the reality of a quickly moving housing market. The developer experienced initial problems in selling the affordable units and in the end they sold them themselves to households who fitted the criteria.

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## **RSL as market developer**

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Two of the case studies in this research involved developments where RSLs have taken on the role of developer. The research has highlighted how in addition to private developers, RSLs are now engaging more prominently and confidently in the development of market housing for sale. The developments have enabled them

to retain better control over wider regeneration objectives in neighbourhoods and to use surpluses for the development and/or rehabilitation of their own stock. With increasing financial uncertainty through rent restructuring it is clear to see why this is an attractive option.

### **Estate F**

This development is based on an old factory building in Nottingham and is located in one of the city's New Deal for Communities areas. The surrounding area is dominated by rented housing (83 per cent of the total stock), a significant amount of which is taken up by students at Nottingham Trent University. The area is starting to alter with a change in retail establishments away from betting shops and adult shops to more general and specialist retail outlets. The development is seen as assisting the rebalancing of the local housing market in providing options other than renting. The site was first acquired by a local builder who sold the land to the regional development team of a national housing association. The development was one of the housing association's first ventures into private development in the Midlands and was a joint venture with the builder. In subsequent developments, the housing association assumed full responsibility for the development and its associated risk. Development of this site has provided the housing association with an income which has facilitated the 'social' activities of the business including meeting the Decent Homes Standard on some of their existing stock.

The development includes a mix of outright-sale and shared ownership properties. The shared ownership units are in a separate block to the outright-sale units. The development is a 'gated community'. The surrounding area is marred by high crime and car security is a particular concern. A gated style development was seen to be necessary because of this. The housing association was keen to stress that this is what customers wanted and that despite the gates, residents were integrating into the local community through a use of local facilities and by walking through it into the city centre.

The units are low and mid-value products but this is largely dictated by the surrounding area. As it is in a regeneration area it is being used as a catalyst to kick start the market. Although values will increase they are unlikely to be the highest. Space standards are higher than in other private sector developments (60-70 square metres for a two-bedroom flat). Monitoring has shown that the majority of households are first time buyers, young professionals, downsizers and/or divorcees with no children.

The shared ownership residents are restricted by government definitions. (7 per cent are first time buyers, mostly young households). There is a healthy take-up.

Monthly costs are 75 per cent of outright mortgage on the same property – cross-subsidy from the out-right sale enables the housing association to hit below 75 per cent in most cases. The housing association are also flexible about the share of the equity which can be bought – this has been as low as 25 per cent. There is a strict vetting procedure for shared ownership households to ensure that they are first time buyers and to prove their income. Overall, there is no vetting of any residents by household characteristics. They have not seen any problem residents and most are aged 25-35 so there are few lifestyle clashes.

## **Estate G**

These estates are part of a significant programme of property renewal and estate regeneration of former council estates undertaken by a housing association in part of Tyne and Wear. As part of this they have put into action ambitious plans to remodel parts of the local housing market through the provision of properties for sale on some of their estates. Using a neighbourhood matrix, the housing association has identified sustainable neighbourhoods. Those which scored poorly on this were earmarked for demolition and rebuilding. The rebuilding involves a tenure mix of 80 per cent social renting, 20 per cent properties for sale.

Tenure mix is achieved by a pepper potting of the properties for sale throughout the estate. Each estate is the product of masterplanning which involves local stakeholders. Rebuild densities are much lower than the previous standards. Estate management is seamless and there is no distinction between tenures. The housing association are keen to ensure that the estates work and have adopted a strict approach to lettings. Only tenants who meet 'excellent customer' status<sup>3</sup> can take up a tenancy in these new schemes. This is aimed at further reducing obvious distinctions between households and eliminating management problems. There is a restriction in the covenant of the properties deeds that any letting of these market sale properties is to immediate family members only and is a further demonstration of the desire to create sustainable communities where households have some attachment to the neighbourhood.

Sales of properties have been very good. Marketing material for the estates are the same as those from private sector developers. Part of this success lies developing housing that meets the needs of local communities and not just a wider housing market area. Households buying 'pathway home' properties have predominantly been local, 'working class' households. The prices of properties are similar to those of the surrounding market.

<sup>3</sup> Similar to Irwell Valley HA's Gold Service scheme where tenants are rewarded for adhering to their tenancy conditions

## Conclusions

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Although these case studies all vary in the detail of their development, planning and realisation, four common elements emerge from them all:

**Design:** Developers see good design of both the housing and its immediate surroundings as imperative to a successful development. Housing developments are a lasting advert for the developer and design is one of the most prominent aspects of its outward appearance. Allied to this is the need to minimise differentiation of appearance between tenures. This is most successfully achieved by using the same or similar elevations to properties.

**Estate management:** There needs to be consistency and clarity in the management of estates post-development. Developments which consist of flats appear to work best as service charges are more easily levied through leasehold arrangements. Decisions about management of larger estates are more fraught and require specific ad-hoc arrangements. It is important that decisions about management are made in partnership between the developer, RSLs and the local authority to ensure standards are high and can be maintained whilst also being affordable to all residents.

**Household selection:** Particular attention has been given elsewhere to the management of the allocations process for social rented tenants. Developers are keen that RSLs are responsible in their allocation arrangements and make lettings which are compatible with the overall estate. However, there is little demonstration that developers adopt the same approach to purchasers. On the whole they wish to see minimal differences between households of different tenures, thus limiting the scope for income mix through mixed tenure. A growing issue is the presence and scale of private renting on estates. Whilst some developers are engaged in limiting its impact, the practice of restricting private renting is limited.

**Saleability and house prices:** In all cases, developers were keen to stress that sales of new property had been good. Whilst the buoyancy of the housing market has underpinned this, none of the developers thought that the mix of tenure on these estates hindered sales. Tenure mix had not had an adverse effect on the sale prices achieved or the time taken to sell properties. Similarly, they believe that the sales price realised is competitive within the local housing market and they were not unduly concerned about any underperformance.

These common aspects concur with the opinions of the developers outlined in the previous chapter.

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## Chapter Five

### Purchasers' and residents' views

One of the most strongly expressed doubts about the viability of mixed tenure developments is that it is believed that they are not popular. It is argued that households with choice will not select these kinds of developments. This is partly because they do not have confidence in the rate at which property values will increase, but also relates to a range of social attitudes. Part of the present research project was designed directly to address these issues. The interviews with developers and others reported in the previous chapter do not lend support to the view that these estates are not popular. Those moving into these estates have exercised a choice in housing. A complex tenure pattern has emerged on these estates with a distinction in some cases between purchasers of the property and the eventual residents on the estate. On the surface this demonstrates that there is a demand for these kinds of developments, but it is important to have a better understanding of the attitudes of purchasers.

#### Methods

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We carried out a household survey of households living in the private sector in five of the case study areas. A complete list of addresses was compiled for each estate and we then excluded addresses owned and rented by social landlords. The purpose of this strongly targeted survey was to provide us with insights into the attitudes of residents in private sector housing. As is discussed below, some of this housing is owner occupied, some is shared ownership and some is privately rented. The focus of the interviews was upon attitudes and reasons given for moving home, choosing the present home and satisfaction with the present home and area. Questions about tenure mix and attitudes towards this were asked at the end of the questionnaire in an attempt to minimise bias.

The face to face interviews were carried out by a market research firm using a precoded questionnaire. We aimed for a quota of interviews to be completed on each estate. Where the developments were small, the numbers of interviews conducted were limited. A total of 218 interviews were completed. It is important to note that whilst the results are representative of each of the developments concerned, we are not claiming that they would be representative of other developments. Indeed, some of the variation between the different estates in this study suggests that there are particular local factors that will affect the role of, and attitudes to, these kinds of developments. Nevertheless, the data that we collected from residents is sufficient

to enable us to suggest the kinds of factors that are most significant in influencing people's decisions to live and buy properties in new mixed tenure developments.

## Research questions

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In this section we use the data from survey evidence to directly address questions about the significance of tenure mix in achieving social mix and income mix within estates. Essentially, the proposition is that whereas single tenure estates would not generate a socially mixed population or a population with mixed incomes a mixed tenure estate will generate social and income mix.

At the outset we should make clear that we are discussing this in the context of new housing estates. It is evident that much of the housing market in England includes mixed tenure neighbourhoods. In many cases the tenure mix has been associated with tenure transfers from private renting to owner occupation or the social rented sector; from owner occupation to private renting and, in more recent years, from council housing to owner occupation or private renting. The social and income mix associated with these neighbourhoods does not always derive from their mixed tenure. It may have existed already, because the neighbourhood caters for people at different stages in their housing career, with different ages and different household types. The nature and extent of social mix varies between single tenure and mixed tenure neighbourhoods, depending on house prices, housing tenure and other factors affecting access to housing.

This report is not intended to consider all of the factors affecting the income, social and tenure mix in mature neighbourhoods. Rather, we are concerned with new developments and whether they start off as exclusive, high-income developments, or as more balanced communities. We are particularly interested in how tenure mix has contributed to achieving objectives related to social and income mix. The data we have available for this has its limitations but is fuller than has been available previously. It enables us to follow a series of sequential questions. There are two initial questions:

- Is there a social mix on these newly developed estates? and,
- Is there an income mix on these estates?

Subsidiary questions relate to the degree of mix involved:

- Is there a very wide social and income mix or is it relatively narrow and skewed, say, towards lower incomes or higher incomes?

Having established whether or not there is a mix, the next question becomes:

- Is this because of the tenure mix within the area?

Essentially, the test here is whether individual tenures have relatively homogeneous populations with a lack of mix, but when you join the tenures together in a development the population of the neighbourhood emerges as mixed. The proposition would be that you can read off income from tenure and a single tenure neighbourhood would have a narrower income mix than a mixed tenure neighbourhood. We have included a further question:

- Is the income mix that exists associated with differences in property size and type?

Again, the proposition would be that if new developments had a narrower range of property sizes and types, they would have a narrower social or income mix.

## Tenure profiles and dynamics

### Types of ownership

The data on patterns of ownership of the private properties on the estates shows a varied tenure pattern, but with a very high representation of privately rented property. In the five estates, the numbers of private rented properties ranged from 27 per cent to 61 per cent of all private housing in the samples. The comparable proportion of owner occupiers buying with a conventional mortgage, or those owning outright (excluding shared ownership purchasers and private renters) ranged from 26 per cent to 73 per cent of each sample.

**Table 5.1: The tenure composition of the private sector housing on five estates**

Estates	A	B	C	E	F
Total households	45	75	46	13	39
Privately rented	12	31	28	5	14
Conventional purchasers	33	33	17	8	10
Shared ownership	–	11	1	–	15

There is an immediate and important conclusion related to these figures. The attempts to manage tenure structures on these estates have failed completely. If there was a view that a certain proportion of properties should be affordable and that the rest would be owner occupied properties then it is based on a misconception. The high representation of privately rented properties changes the anticipated tenure mix considerably. The blindness of planning and housing policy to this significant part of the market emerges as an important issue. Policies are couched in terms of 'affordable' and 'other', and the 'other' is assumed more likely to be owner occupied. The reality is that the 'other' may well be privately rented, and the mix of population and dynamics of the neighbourhood will be considerably



different than had been expected.

### Is there income and social mix on new developments?

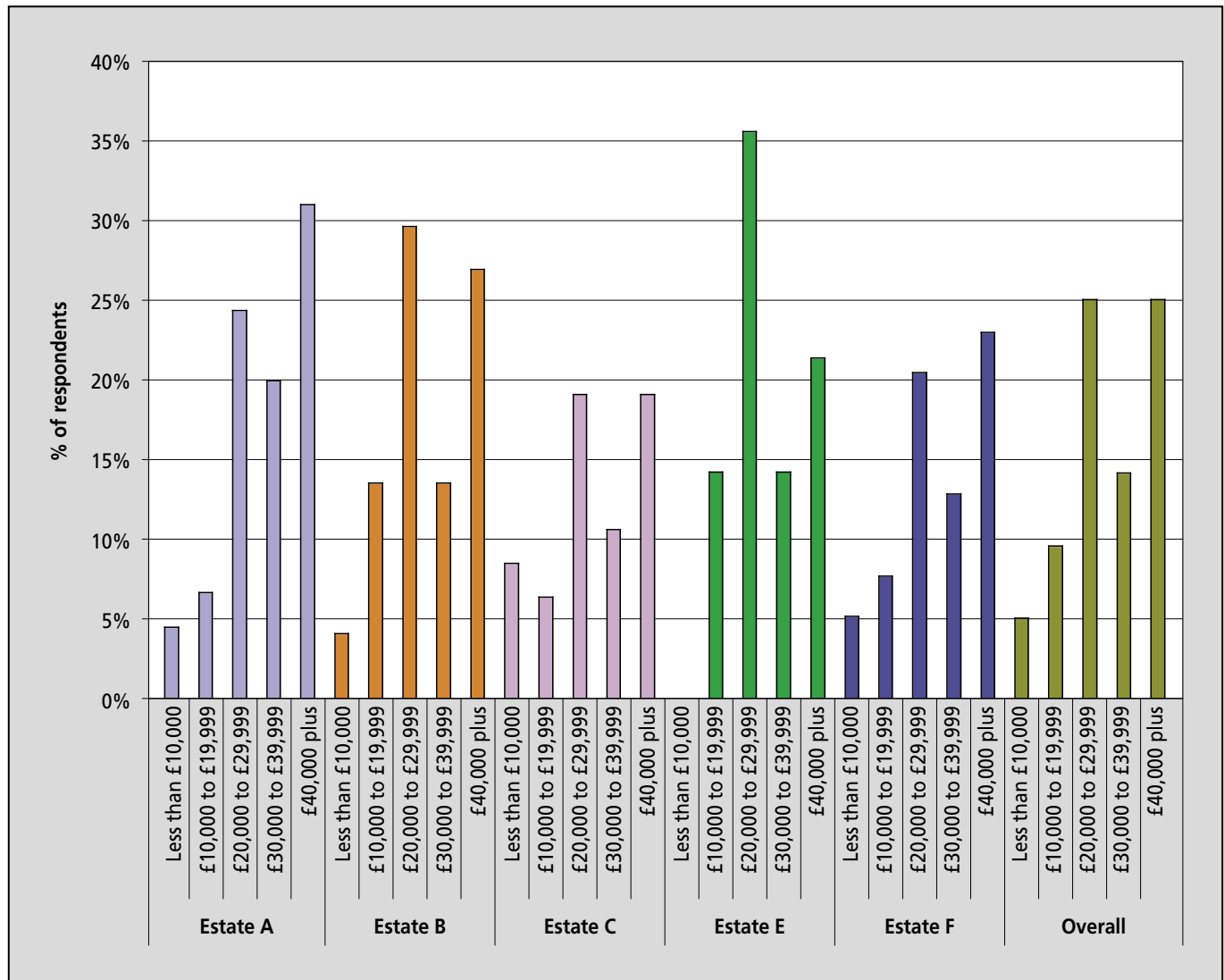
Table 5.2 and Figure 5.1 indicate that there is some mix of age groups and incomes in the private sector housing on all of the estates where we carried out household interviews. Most of the estates, however, have a narrow mix and all of them are skewed towards the types of households that move house – younger and more affluent households. Overall, 70 per cent of respondents were aged 35 or under, 78 per cent were in full time employment and 81 per cent of those who provided income data had gross household incomes in excess of £20,000 per year (37.5 per cent with over £35,000 per year).<sup>4</sup> The variance in the age and income profiles of the samples on each estate can be related to the regional location of the estate, its location within the urban area, the type of housing available and the wider housing market. For example, the heads of household on Estate F were all aged under 35 and 82 per cent of households had a gross income of over £20,000 – reflecting its position as an edge of city centre apartment style development. In comparison in Estate B 24 per cent of respondents were aged over 35 and 80 per cent of respondents had a gross household income of over £20,000 per year.

**Table 5.2: Age profile of respondents by estate**

	Estate A	Estate B	Estate C	Estate E	Estate F
Base	45	74	47	14	38
	%	%	%	%	%
16-25	20	28	28	7	54
26-35	44	37	43	29	41
36-45	18	11	17	36	5
46-55	13	14	8	14	–
56-65	–	5	4	7	–
66+	4	5	–	7	–

<sup>5</sup> 21 per cent of the sample overall either did not know their income or refused to answer this question.

Figure 5.1: Income distribution of respondents by estate (gross income)



At this stage then the conclusion is that the profile of households moving to the private housing in each of the estates includes some but not enormous variation. There is a narrow rather than broad mix partly because any new private development disproportionately recruits households in the early stages of housing careers.

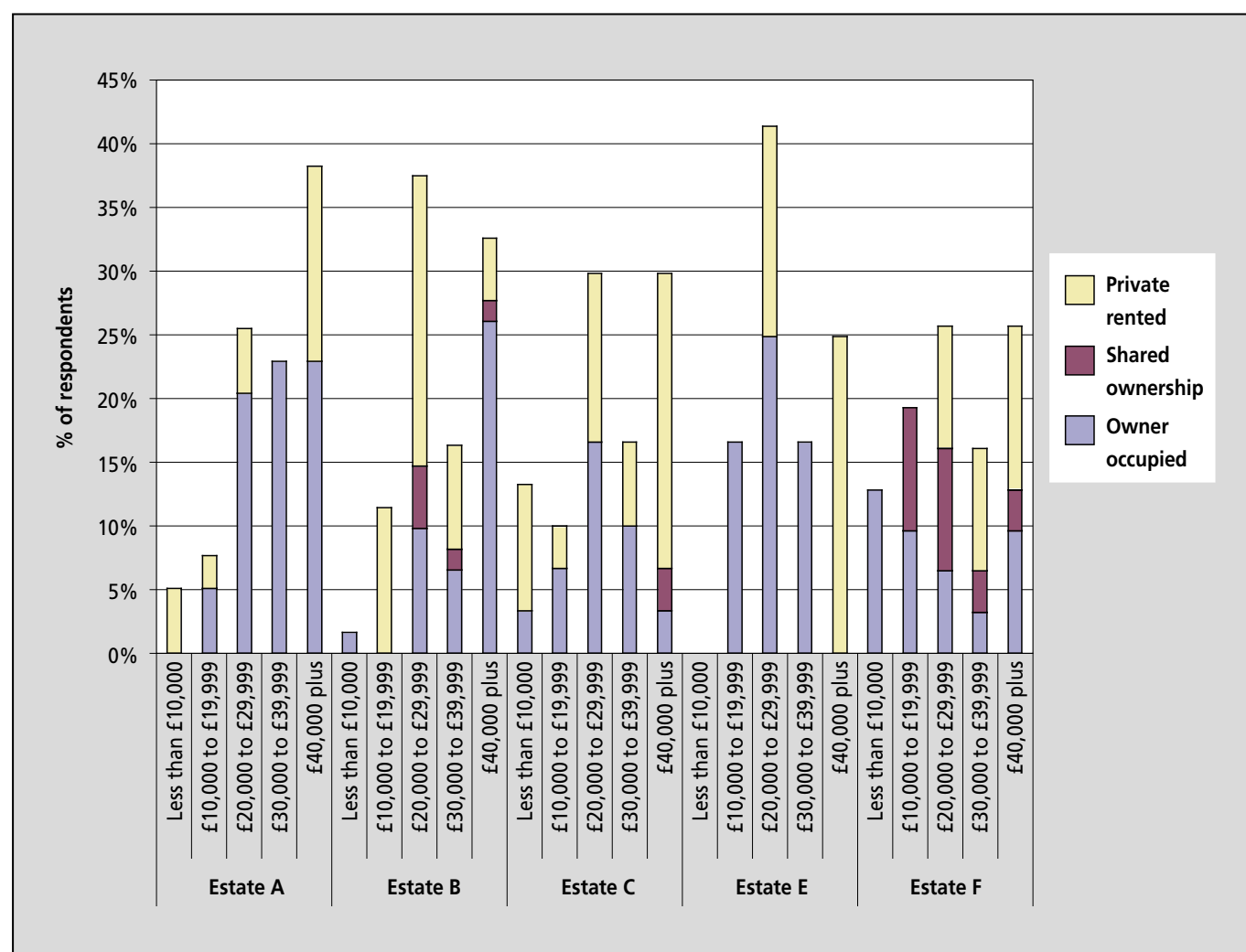
### Introducing tenure

When we introduce tenure into this picture some important variations emerge. Private renters tend to be younger than home owners and they are more likely to consist of multi-person households being formed by non-related individuals. This particularly applies to Estate C which is an edge of city centre development. Owner occupiers tend to be slightly older and be part of a household with two related adults and increasingly with children.

Figure 5.2 shows the breakdown of each income group according to tenure. It is clear from this distribution that tenure does play a role in mixing income, but again, because the tenure mix achieved is accidental, income mix cannot be attributed to mixed tenure policies. Estates A and B illustrate how private renters make up more of the lower income groups whilst owner occupiers earn predominantly higher incomes. The pattern is similar on the other three estates although variations can in part be attributed to the smaller number of cases. Income figures in Figure 5.2 relate to gross income of the household.

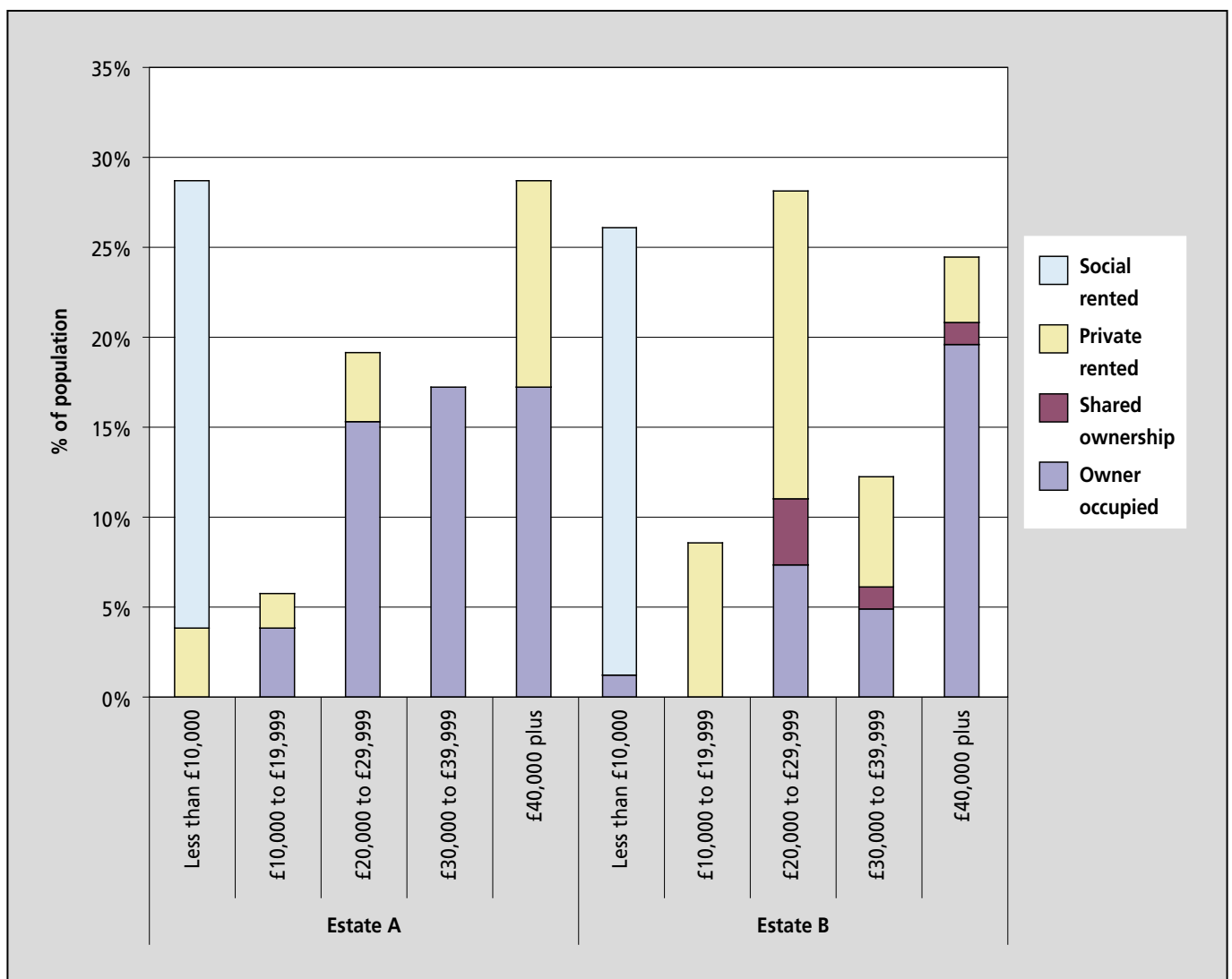
This data illustrates that the private development within these estates generates different tenure and social/income mix patterns. The tenure mix within the private sector is largely market determined rather than planned; and because it is affected by the relative importance of private renting within developments the achieved level of social and income mix may be regarded as largely accidental. Tenure patterns vary in all of the developments and income mix varies as a result of this and other factors.

**Figure 5.2: Income distribution of respondents (by tenure)**



The picture we have presented so far makes no reference to the levels of social rented housing on each estate. The survey work we carried out excluded this group but we can introduce them into the discussion. We know the proportion of social rented housing in each development and CORE data provides an indication of average income of tenants (£8,912 per year in 2003-04). Figure 5.3 introduces this indicative social rented element into the profile for the two estates where this was most important. In both cases households in the social rented sector are likely to have an income which is significantly below the levels for households in the private sector. The emerging picture is of estates with a broad income mix. There may be some tendency for a polarisation between the very low incomes of many tenants in the social rented sector and the relatively affluent private tenants and home owners but this may be overstated by the presentation in Figure 5.3. In some cases there may be a less significant hollowing out of middle income groups and social rented tenants will be less concentrated in the lowest income group and be represented in other categories and especially the second lowest group.

**Figure 5.3: Income distribution by tenure including social renting on Estates A and B (projected)**

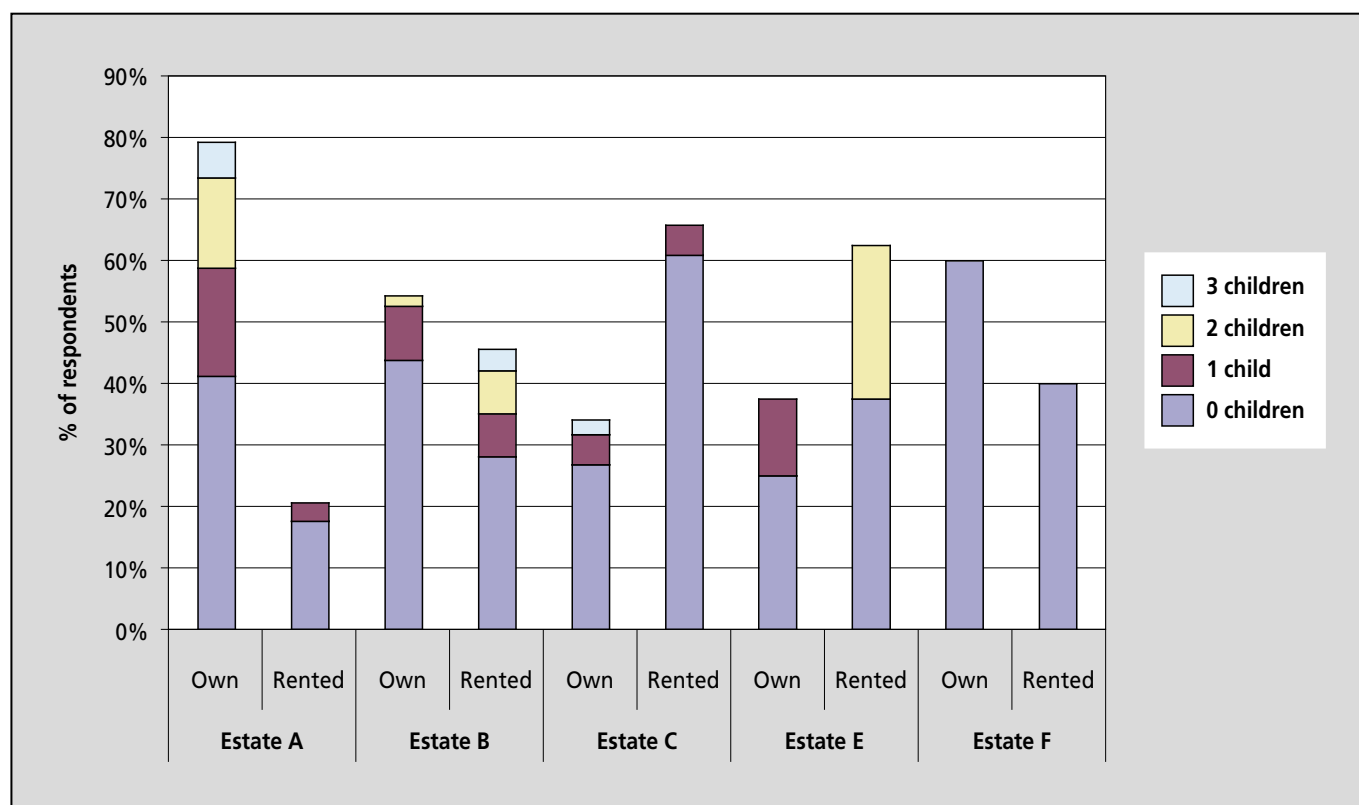


What emerges from this data is that private housing developments produce different but narrow patterns of income mix and the category private development is not a good indicator of income. There is a broader income mix where a significant level of social renting exists on an estate.

## Social mix

In considering other aspects of social mix in this research we refer to households with children. Whatever the income mix, some discussions of mix refer to age and household type, and we use households with children as an indicator of this dimension of mix. Figure 5.4 indicates that the new private housing on these estates predominantly houses childless households. Only in Estate A was there a considerable proportion of families with children. Families with children were present in both rented and owner occupied sectors and the probability of one or other tenure having more families with children varies between estates rather than being consistent between tenures.

Figure 5.4: Households with children (by tenure)



### Introducing dwelling mix

When we introduce dwelling type and size into this picture some important associations emerge. Figure 5.5 indicates that the private housing in all of the estates

consisted of a mix of houses and flats. There was less of a mix of dwelling sizes with two-bedroom properties dominating Estates E and F and being the most common size in A and B.

**Fig 5.5: Property size and type (by estate)**

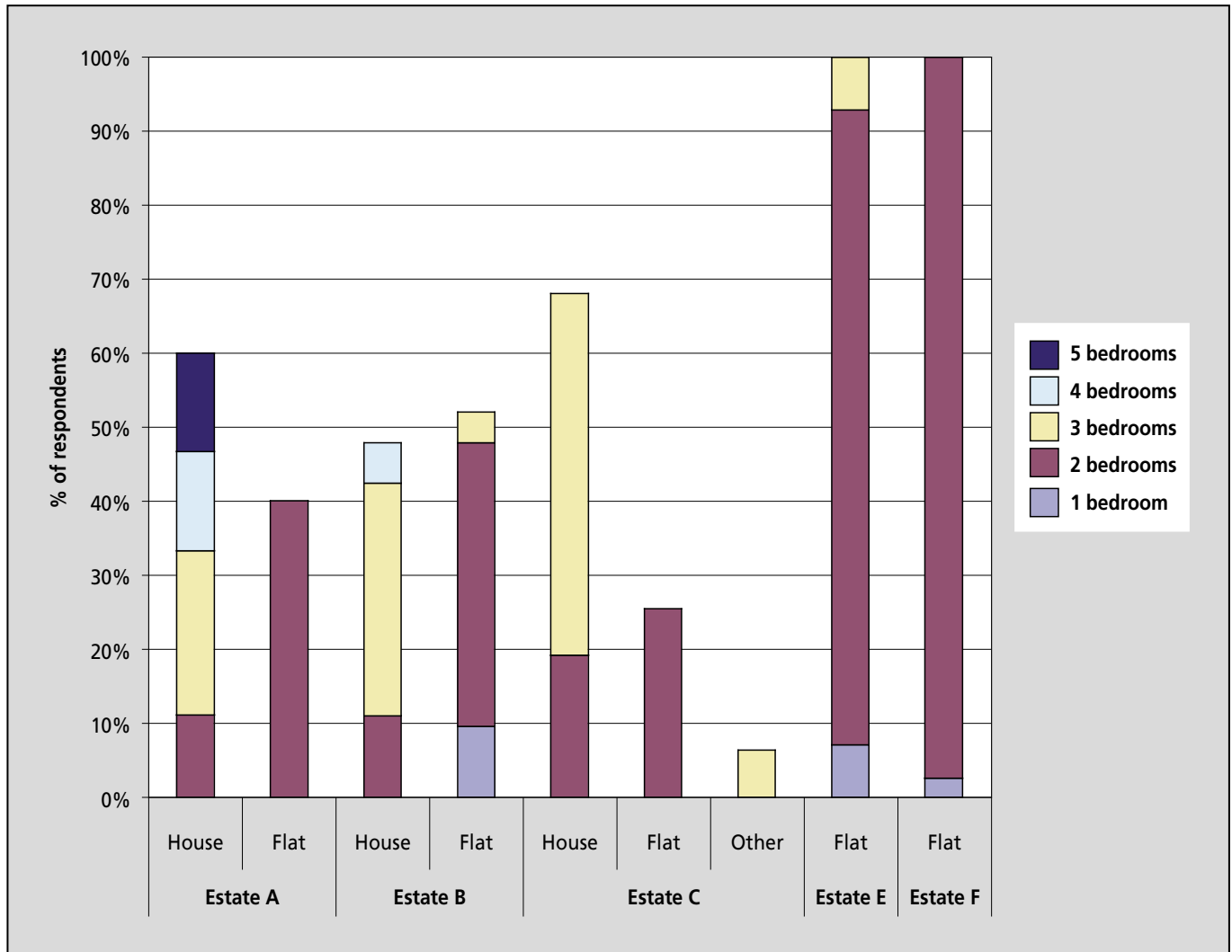
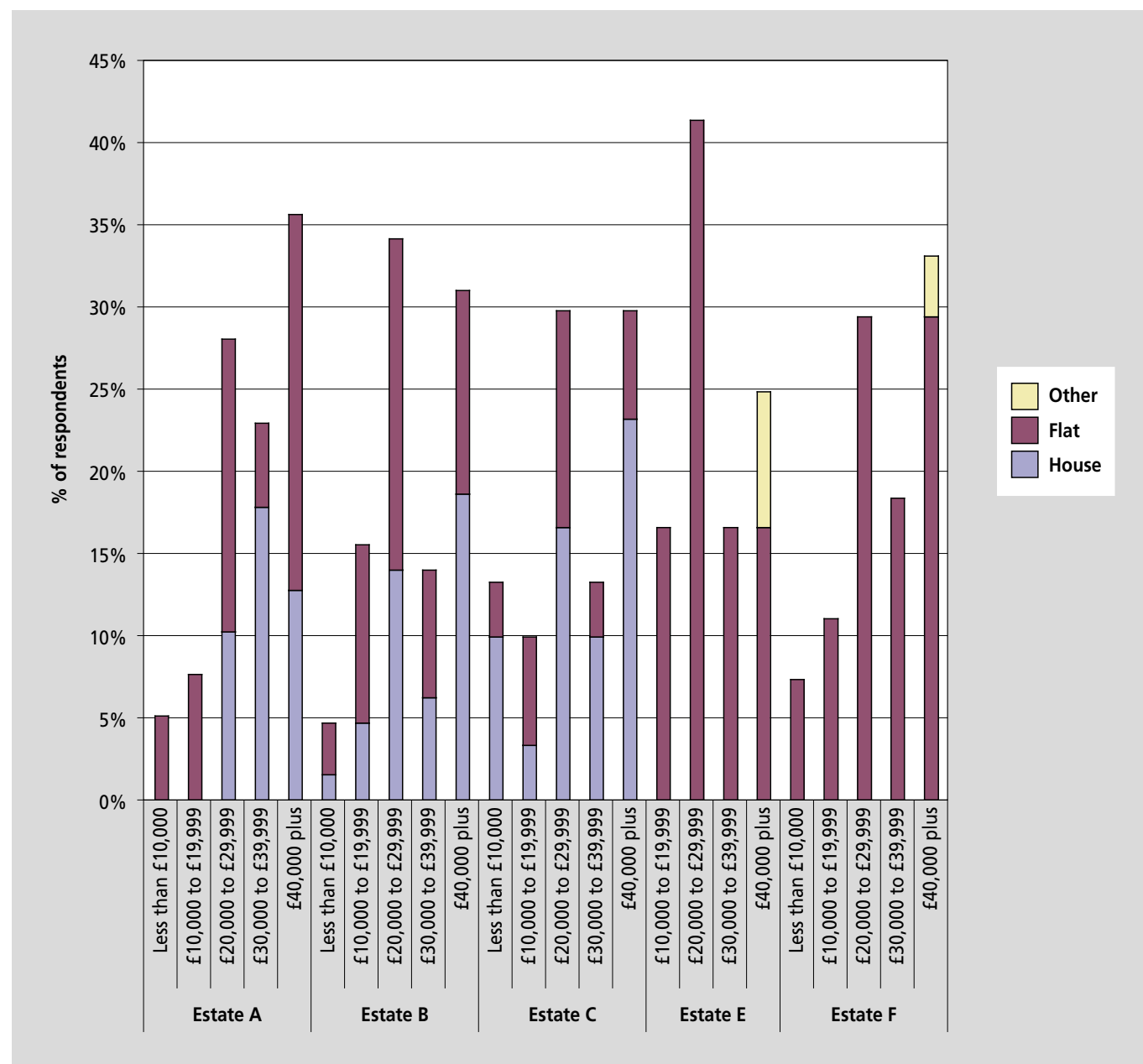


Figure 5.6 sets out the association between dwelling type, dwelling size and household income. Although flats tend to be smaller and lower priced they do not have a clear association with lower income households. The explanation for this is that purchasers are at different stages in their housing career and that, for private tenants, the relationship between income and property size differs. Purchasers of more expensive houses are more likely to be trading up and reinvesting the equity from a previous house sale and this, rather than a consistent pattern of higher income, explains who buys what. Who lives in what is further affected by rents and letting arrangements: the household incomes among private tenants in particular types of property will not necessarily be similar to those of purchasers and may be lower. This is most evident in Estate C where some households living in houses with four bedrooms have lower incomes than those in smaller properties.

Fig 5.6: Income mix by property type



Figures 5.7 and 5.8 refer to household size and households with children. One reasonable assumption is that flats and smaller dwellings are unlikely to house families with children while houses and larger dwellings are likely to house larger households and have families with children. Flats mainly house two person households, some one person households and very few three person households. In contrast houses mainly have three person households in them with some two and four person households. While houses are more likely to have families with children the pattern is not so clear cut. Some estates have flats housing families with children and it is not always the case that houses are more likely to have families with children. Many home owners buy larger properties than their family size strictly requires and they choose to have more space or to meet investment objectives.

Figure 5.7: Household size (persons per dwelling) by property type

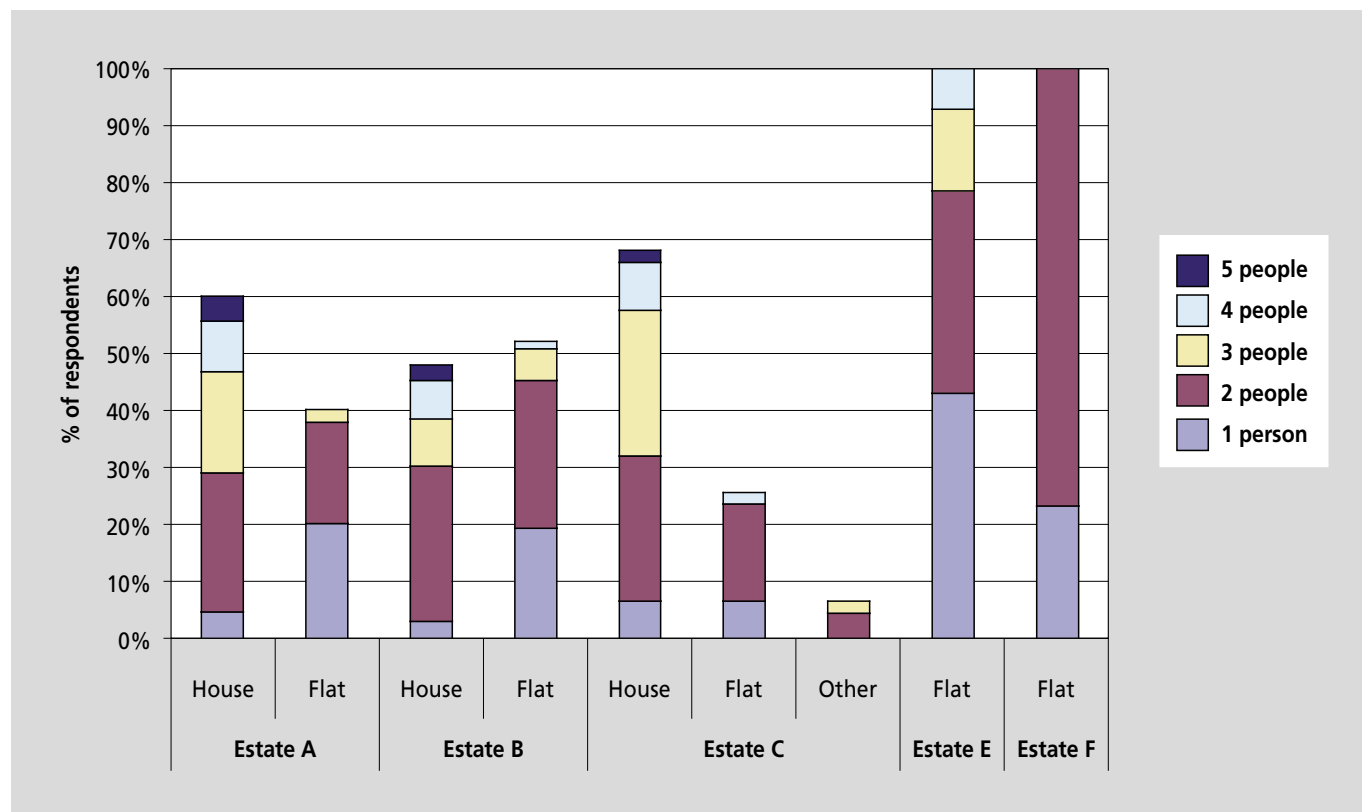
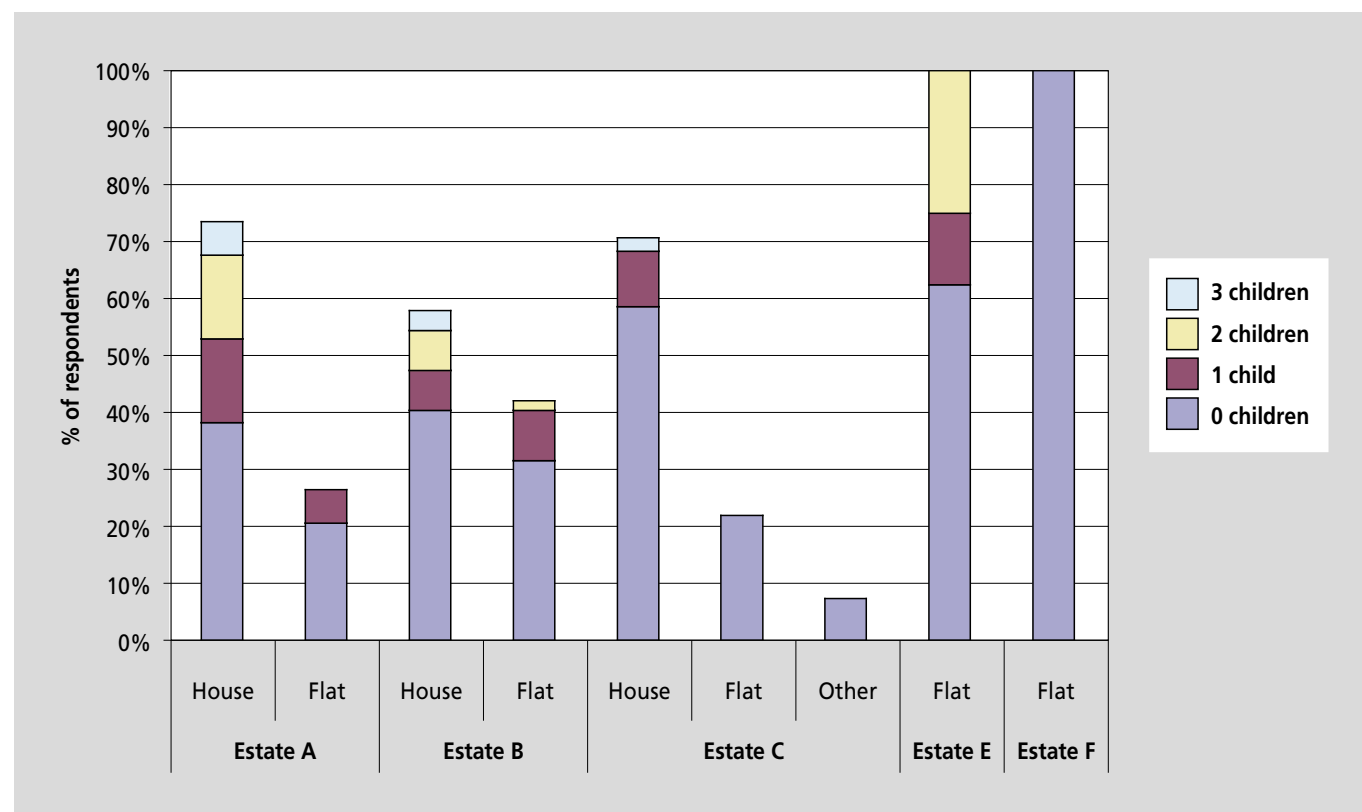


Figure 5.8: Households with children (by property type)





## Household mobility

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The survey results indicate that the case study estates play a significant role in the local housing market and that tenure is significant in determining population stability on the estates. In many cases households have high housing mobility: many of those in private rented accommodation, previously in private rented accommodation prior to their current residence and younger households have moved more than once in the last five years. Location also plays a significant role. Estates C and E are both 'edge of city centre' developments and both cater for households with high levels of household mobility (23 per cent and 36 per cent of respondents respectively indicating that they had moved three times or more in the last five years). Even on the larger estates resident turnover was high. For example on Estate B where the largest number of interviews were completed (75), it was a minority of households (41 per cent) that had moved only once in the last five years and 16 households (21 per cent) had moved four or more times in the last five years.

Across the estates, 61 per cent of respondents indicated that they are likely to move in the next two years. The pattern varies between the estates from 45 per cent of respondents on Estate C to 74 per cent on Estate F. The reasons for wanting to move also range from factors related to the size of property, mobility due to employment and, for those currently renting, the desire to buy their own property. Interestingly, 24 per cent of respondents indicated their desire to move to 'a better area'. This is potentially indicative of the position of the estates within a wider housing market and highlight how these estates satisfy immediate housing requirements but may not fulfil longer-term housing aspirations. Consistent with this, the largest group of households moving to private property in these estates, had moved from the private rented sector. There was one exception to this. In Estate A, the largest group moving to the estate in question had previously been owner occupiers buying with a mortgage, and the second largest group were those living at home with parents. Renting from a private landlord was the third most common. In the other four estates, renting from a private landlord was the most common element, and this was followed either by living at home with parents, or buying with a mortgage.

Referring to the owner occupiers only: 66 per cent had moved only once or twice in the last 5 years, and just over 50 per cent had previously lived within five miles of their current address. Among owner occupiers the most important reason for moving from their previous home was that they wanted to buy (30 per cent). The other major reasons were: 19 per cent moved for job related reasons; 15 per cent because they either wanted a larger or better house or flat, or a smaller or cheaper house or flat; 14 per cent moved for family reasons, (including divorce, separation, marriage or living

together); 6 per cent said they wanted to move to a better neighbourhood; and 5 per cent wanted to buy or wanted to own their home or live independently.

The role of the private rented sector and its impact on these estates should not be underestimated in relation to social mix and sustainable communities. The data that we have obtained shows that the occupiers of privately rented properties are the least likely to be the first occupiers of properties and may have moved more frequently than home owners. 67 per cent of private renters had moved to their current property in the last 12 months compared with 25 per cent of owner occupiers, suggesting that there is a higher turnover of population in these properties than in the owner occupied properties. In addition, renters are both younger households and indicate a greater likelihood to move again in the future. This suggests that this group have greater mobility and are considering using this. The data highlighted that private renters form a core of middle income households in the income profile of the estates. Because of their higher propensity to move it cannot be assumed that this group will mature in-situ and rather than see this group increase their incomes whilst living on the estates, there will be a constant churning of the middle income group. Overall, this begins to indicate that a high proportion of privately rented properties in an area may adversely affect the stability of the community and the extent to which the community builds strong internal and external networks.

Some of those moving to the private rented accommodation in these estates had previously been owner occupiers, and this suggests that the variety of tenure on these estates provides opportunities for people to pursue different kinds of careers. Some may have temporary or transitional arrangements, and not everyone is pursuing a conventional housing career with a first step on a ladder to home ownership.

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## Choices and attitudes

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Respondents were asked about the importance of a number of different elements when they chose to live in the property. Tables 5.2 to 5.5 set out some of the key dimensions of choice related to these estates. In all cases the responses to these are ranked in terms of importance across the whole sample, adding together the different case study areas. They refer only to the responses from those living in private sector properties and we distinguish between the overall trend and the responses of home owners. Although there is variation in the relative importance attached to different elements in different estates, the broad picture holds true for most of these developments.

Respondents were asked about the relative importance of a number of factors when

choosing to live in this property. The figures in Table 5.3 relate to the sum of very important and fairly important and the pattern emerging, while it varies between individual estates, broadly holds true across all of them.

**Table 5.3: Reasons ranked as very important or fairly important when choosing property**

	All respondents	Home owners
Sample number	218	128
	(%)	(%)
The size of the property suited my needs	95	95
Number of bedrooms was suitable	94	95
Price or affordability	89	94
Having adequate car parking	85	89
Privacy levels suited my needs	81	82
The design of the property	74	82
The type of property	72	75
Availability of the housing in the area	67	64
The fashionable nature of the property	56	74
The age of the property – the fact that it was newly built	50	62
Having a garden	43	55
Being recommended by an estate agent	16	12

Size and price of property emerge as the most important factors for all respondents. Although they were asked to identify other factors, none of them referred to the mixed tenure nature of the development.

All of the respondents to the survey were asked about the importance of a series of factors when choosing to live in the area. Respondents were asked to rank these factors in terms of whether they were very important, fairly important, neither important nor unimportant, fairly unimportant or not important at all. The proportions saying that they were very important or fairly important are set out in Table 5.4 for the whole sample. Again there is variation between the different case study areas, especially where the comments relate to specific locations, proximity to the city centre or suburban centre.

**Table 5.4: Reasons ranked as very important or fairly important when choosing where to live.**

	All respondents	Home Owners
Sample number	218	128
	(%)	(%)
Living in a safe area	90	91
Living near good shopping facilities	80	80
Living near to your own or your partner's work	78	73
Living near good social and leisure facilities	72	71
Having a shorter commute to work	71	68
Living near good public transport links	71	73
Living near the city centre	66	64
Living in an area where there is a healthy environment	66	70
The area having a good reputation	63	59
Living somewhere quiet	61	65
Living near a suburban centre	54	53
Living near family and/or friends	54	54
Living in a new home	53	65
Staying in the area	42	47
Living in an area with a good mix of housing types and designs	37	37
Living somewhere with a village or community atmosphere	37	40
Living in an area which had a good mix of owned and rented properties	20	21
Living near a certain school	18	16
Living near your or your partner's place of worship	11	10

### Home owners' views

The 128 home owners in the sample were presented with a series of propositions related to their decision to buy a property rather than rent it and asked to indicate their level of agreement with these. The proportions of home owners agreeing strongly with these propositions are set out in Table 5.5. Given the different circumstances and tenure origins of home owners, the emphasis upon investment factors emerges most strongly.

**Table 5.5: Attitudes to buying (home owner respondents agreeing strongly)**

<b>Sample number</b>	<b>128</b>
<i>Those strongly agreeing</i>	%
I see my home as an investment as well as somewhere to live	73
I dislike the idea of renting	60
I want to remain a home owner	40
I wanted to get on to the property ladder	38

Owner occupiers were asked how satisfied they were with their local area as a place to live. 32 per cent were very satisfied, 48 per cent were fairly satisfied, 11 per cent were either fairly or very dissatisfied. The main areas of concern identified as needing improving were crime, and vandalism (37 per cent). This is consistent with national surveys (see for example the *Survey of English Housing* (ODPM, 2004)) and indicates that these issues are as important to higher income groups in mixed areas as they are to lower income households in large public housing estates (Hall *et al.*, 2005 p.38). Overall, the majority of owner occupiers were either fairly or very satisfied (52 per cent), but there was a significant number who were very dissatisfied (19 per cent) or fairly dissatisfied (17 per cent). Just over half of home owners (52 per cent) thought the area had very mixed incomes, and 33 per cent some mix of incomes. The majority of owner occupiers thought that having householders with different incomes on an estate made no difference (53 per cent), while 24 per cent held a positive view of having a mix of incomes in the area. This compared with 20 per cent who had a negative view. The great majority (92 per cent) of owner occupiers said that they were aware that the estate is mixed tenure, and 76 per cent said that they were aware that it was mixed tenure at the time they bought the property.

One in four (25 per cent) of the owners were aware 'to a large extent' which homes were in which tenure, and 46 per cent 'to some extent' with 29 per cent 'not at all aware'. Overall, 38 per cent of owners felt that the tenure mix was either very good or fairly good, with 26 per cent thinking it was fairly bad or very bad. 27 per cent had a neutral view – that it was neither good nor bad. 16 per cent of the owners were definite that the tenure mix will impact on the value of their property when they sell, an additional 28 per cent felt that it would have an impact to some extent. 48 per cent felt that it would not have an impact.

## Satisfaction

Table 5.6 sets out the response to a question '*how satisfied are you overall with your property?*' The responses to this question show an overwhelming level of satisfaction

with a very small minority of households expressing dissatisfaction. There is no significant difference between respondents in general and home owners.

**Table 5.6: How satisfied are you overall with your property?**

	All respondents	Home owners
Sample number	218	128
	(%)	(%)
Very satisfied	50	50
Fairly satisfied	37	39
Neither satisfied nor dissatisfied	6	7
Fairly dissatisfied	4	4
Very dissatisfied	3	1
Don't know	1	–

Respondents were also asked how satisfied they were with their local area as a place to live (Table 5.7). Levels of satisfaction were much higher here than over the management of the estate – again there was no significant difference between all respondents and home owners. However, there is little difference between those estates which have an element of social rented housing and those which have other forms of 'affordable housing' included or nearby in the neighbourhood

**Table 5.7: How satisfied are you overall with your local area as a place to live?**

	All respondents	Home owners
Sample number	218	128
	(%)	(%)
Very satisfied	34	32
Fairly satisfied	47	48
Neither satisfied nor dissatisfied	9	9
Fairly dissatisfied	6	5
Very dissatisfied	4	5
Don't know	1	–

Table 5.8 sets out responses to a question about how satisfied respondents were with the management of the estate, and this shows much higher levels of dissatisfaction than were evinced in relation to the property itself. The results of other questions suggest that this group of 'dissatisfied' residents are not clear about

the management arrangements for the estate. Very few residents were aware of the detail of management arrangements, and there was considerable confusion about service charges paid in respect of management. When asked whether the estate was managed by a specific management company, almost one in three were not sure, and some of the responses were incorrect.

**Table 5.8: How satisfied are you overall with the management of the estate?**

	All respondents	Home owners
Sample number	218	128
	(%)	(%)
Very satisfied	19	19
Fairly satisfied	37	33
Neither satisfied nor dissatisfied	12	11
Fairly dissatisfied	13	17
Very dissatisfied	14	19
Don't know	5	2

## Product information

Information provided about estates is important in the sales process. Respondents were asked *'Looking back to when you were thinking of moving here, how would you rate the information you had about the estate?'* 11 per cent (24) of respondents said that they felt this information was fairly poor or very poor and a further 30 per cent said they received no information. The respondents who said that the information they had received was fairly poor or very poor were asked why they said that, and an open ended question provided the opportunity to introduce any issues that were of concern to them. The reasons given related to a range of matters. Seven of the 24 responses referred to some aspect of social renting:

- *Not being told about problems with housing association tenants.*
- *Not being told about how much social housing there would be near my property.*
- *Was told affordable housing was for key workers, but found not to be the case.*
- *Told this street would be occupied by just owners, but this was not the case.*

Other matters referred to included car parking, facilities for children to play on the

street, issues about covenants on sold properties and information about the history and development of the estate. While it is important to note the prejudice directed towards affordable housing and social housing tenants in particular the numbers of households referring to this is small. Although this did not prevent these households from buying on these estates the role of information provided by estate and sales agents is brought into question.

Those who were most definite about the impact on property values tended to refer to the same issues: *'The behaviour of social renting neighbours'*, and *'the lack of care for the properties'*.

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## Attitudes to mix

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The questionnaire was designed so that it would not prompt respondents to identify issues around mixed tenure estates until the end of the interview. There were open-ended questions that would enable respondents to refer to issues related to tenure mix, but the questionnaire itself did not refer directly to this until towards the end of the interview. For example, respondents were asked whether they were considering moving, and the show card listed factors that are commonly referred to in surveys of this kind. Respondents were invited to identify other reasons, and could at this point have referred to mixed tenure issues. Very few respondents referred directly to tenure, social or income mix as a reason for their wanting to move or their displeasure with the estate or neighbourhood. However, there were some implicit references to these factors in some of the responses.

Through the questionnaire we attempted to draw out attitudes to each of these factors.

### Tenure mix

Respondents were asked about their opinion towards the tenure mix on their estate (Table 5.9). Overall, 46 per cent of respondents thought it was good or very good whilst a further 21 per cent were indifferent towards it. However, the results show that amongst home owners the enthusiasm for tenure mix is slightly lower and the opposition is slightly higher. If we look at the results by estate, enthusiasm amongst home owners for tenure mix is highest where there is no social renting and where differences between residents is minimised, particularly through the use of shared ownership and other 'affordable' housing.



**Table 5.9: Attitudes to tenure mix on the estate**

	All respondents	Home owners
Sample number	218	128
<i>What do you think of this tenure mix?</i>	(%)	(%)
Very good	11	7
Fairly good	35	31
Fairly bad	11	16
Very bad	6	9
Don't know /don't care/no opinion/ neither good nor bad	37	36

The majority of respondents (83 per cent) were aware that the estate was a mixed tenure estate (92 per cent of the owner occupiers), and 74 per cent said that they were aware that the estate was mixed tenure when they bought or moved into the property (76 per cent of owner occupiers). Only 23 per cent said they were not aware of this at the time of their purchase (29 per cent of owner occupiers). Clearly the mixed tenure nature of the estate did not deter people from moving in or from buying the property. When asked to what extent they were aware which homes were in which tenure, 38 per cent said that they were not at all aware, and 42 per cent that they were aware to some extent, with a minority (20 per cent) saying they were aware to a large extent. This corresponds with the 25 per cent of the owners who were aware to a large extent of which homes were in which tenure (46 per cent were aware to some extent and 29 per cent not at all aware). This varies considerably from place to place. The awareness was greatest in Estate C.

Residents who said they were able to some extent to identify tenure status referred to a wider range of factors, and were less preoccupied with behaviour. They referred to characteristics of the property, the colours of the front doors, the style of the property, 'For Sale' signs and 'To Let' signs. Reference was also made to word of mouth information and information obtained from housing associations and developers. This group were more tentative about their ability to identify tenure, and it is also apparent that in some cases they were incorrect. The assumption that all the flats in estates are council properties does not hold true, and respondents referring to this as an indicator, showed that they misconstrued the situation.

Respondents were asked to elaborate on the factors that enabled them to identify different tenures, or which they felt made it difficult to do so. Among those who said they were strongly aware of which homes were owned, privately rented or socially rented, the factors most commonly referred to related to the maintenance of houses and properties, or the state of gardens. The rented properties were identified as having a poorer maintenance of the property and the garden. But the most

important factors referred to the behaviour or appearance of residents: noise, more noise from social/renting tenants, swearing/foul language, unsocial behaviour of children, the behaviour of the tenants because the kids are out in the street/hanging round the houses all the time, vandalism, litter/rubbish/dustbins, burnt out vehicles, the wrecks they drive, stuff being thrown out of windows.

It is difficult to interpret these responses. Some of them suggest that there is an assumption that certain types of behaviour indicate a certain tenure status. We know for example from one case study that the assumption that drug dealing had been associated with social rented tenants had proved incorrect, and that it was a private tenant who was involved in a case that incurred police action; and it may be that some of the remarks by some residents are simple statements of prejudice. If there were no tenants on the estates, another label would be attached to those whose behaviour was disruptive or disturbing. The fact that the label 'tenant' is attached does not mean that this is accurate and much of the behaviour involved takes place across tenure boundaries.

It is striking that those who say that they could not tell the difference between tenure at all, sometimes explained this in the same terms as those who said they could identify differences. *'All properties are kept in good condition'*, and *'The properties are no different/look the same'*, and positive statements about the area and residents.

Finally, home owners were asked whether they thought the tenure mix would impact on the value of their property when they come to sell. 16 per cent of the owners were definite that the tenure mix will impact on the value of their property when they sell, and an additional 28 per cent felt that it would have some impact. 48 per cent felt that it would not have an impact. Almost one in two responded no – that it would make no difference to the value of their property, and a small group were more cautious – they didn't know or it depended on other factors. Their reasons for this view tended to focus either on the mix providing housing opportunities for a range of households to access housing or because a mix is seen to enhance the local community. Overall, an absence of negative experiences underpins these beliefs. However, another half expressed the view that it would either definitely or to some extent, have an impact on prices when it came to sell. The reasoning behind this was based either on experience or, more often, different lifestyles and anticipated anti-social behaviour of renters, predominantly social rented tenants, on the estate.

Those who had a more cautious view felt that it *'... might impact, would depend'* and referred to specific factors including factors such as:

- *'If you had a bad family living nearby'.*
- *'... depends upon standards/attitudes of person wanting to move in'.*

Whilst tenure mix may be seen as problematic by some respondents, on the whole income mix is accepted and welcomed. 52 per cent of home owners thought the area had very mixed incomes, and 33 per cent some mix of incomes. The majority of owner occupiers thought that having householders with different incomes on an estate made no difference (53 per cent), 24 per cent had a positive view of having an income mix in the area compared with 20 per cent who had a negative view.

### Income mix

To explore the issue of income mix we asked respondents if they were aware of the level of income mix on the estates and their attitude towards this.

Overall, a majority of respondents described their estate as having a mix of incomes. The degree of mix described is dependent upon the estate. Earlier in this chapter we described the type of income mix on the estates. Residents' perceptions are similar to the statistical composition on the estates (Table 5.10). Furthermore where the differences between the types of households on the estates are least it is more likely that residents perceive other residents as similar.

**Table 5.10: Mix of incomes (%)**

	Estate A	Estate B	Estate C	Estate E	Estate F
Type of income mix	Narrow	Narrow	Broad	Broad	Broad
Sample number	45	75	47	14	39
	(%)	(%)	(%)	(%)	(%)
Very mixed	64	61	28	43	13
Some mix	24	20	60	36	51
Mostly the same	4	1	6	14	21
Don't know	7	17	6	7	15

Table 5.11 sets out responses to a question asked at the end of the questionnaire about attitudes to having households with different incomes on an estate. The largest group of responses were neutral: people felt it made no difference. There was a group who had negative views (less than one in five) and a larger group with positive views. Amongst home owners there was a slightly increased negativity towards income mix. Again when considered within the context of each estate, those areas where there is a greater distinction between tenures with the addition of social rented housing and a broader income mix, the attitude towards income mix is less positive.

**Table 5.11: Attitudes to income mix**

	All respondents	Home owners
Sample number	218	128
<i>Do you think having households with different incomes on an estate is a good or bad thing in terms of people getting on together?</i>	%	%
Very good	6	5
Fairly good	23	19
Fairly bad	10	12
Very bad	5	8
Don't know /don't care/no opinion/neither good nor bad	56	56

## Conclusions

The results of this survey highlight the complex nature of newly built mixed tenure housing estates in terms of their tenure structure, their role in the local housing market, the characteristics of households in the 'private' housing on them and the dynamics this creates in terms of behaviour, aspirations and wider attitudes. The tenure mix achieved on these estates is different from that anticipated in their planning especially because of the presence of higher than anticipated levels of private renting.

In itself the presence of private renting is not problematic. Yet the dynamics this creates is a potential problem in the medium to long-term stability of the estates. Private renters tend to be younger and to have a higher level of residential mobility which they have exercised in their immediate previous housing history. The consequence of a significant level of private renting on new estates has been high turnover and in the future there is the potential both for a regularly churning population and for residents who are less committed to the neighbourhood's future. This aspect requires regular monitoring and high quality management if it is not to become highly problematised.

Income mix is created in part through planned tenure mix on these estates (and the inclusion of a significant level of social renting is critical if this is to be achieved) but is also contributed to by accidental diversification of tenure which is again the result of private renting. Without private renting on these estates, income mix would be more polarised between higher income owners and lower income social renters. Only in those estates where there is no social renting but other forms of 'affordable' housing is income mix narrower.

The estates included in this study start off from a strong position. There has been confidence expressed by a variety of owners, social landlords, buy to let landlords, and owner occupiers in purchasing properties on new estates. The levels of satisfaction with property are high. The estates are new and well designed and have considerable advantages. There is nothing in the evidence from respondents to suggest that the estates cannot be made to work, but it is apparent that there are the same anxieties in these estates, as exist in other parts of cities and towns: about how estates will mature and change, and about social differences, which people can begin to see as threats to their enjoyment of life and the value of their properties.

The survey data establishes a number of unambiguous indicators:

- A small number of respondents expressed strong prejudices against fellow residents who may be from other tenures. Although this is a minority of residents it nevertheless identifies tenure mix as a potential source of problems.
- It highlights the entrenched nature of tenure prejudice and its use in explaining problems. It is used as a convenient way of labelling some concerns about differences in behaviour and differences in the maintenance and condition of property that may not actually be associated with ownership and tenure. Tenure status can be used as a convenient term to reflect concerns and prejudices about social difference.
- Finally, because of the very high proportion of privately rented properties on these estates, it seems extremely unlikely that there is the possibility of distinguishing between three different tenures. A dual categorisation of private and public, rented and owned, or affluent and less affluent, fits much better with people's responses, but this almost certainly means that some private properties are being assumed to be social rented, some rented properties are being categorised as owned and some behaviour which is not related to particular tenures, is inaccurately linked with tenure.

The nature of the responses from residents emphasises that it is the importance of continuing successful management of the neighbourhood which will make a difference rather than the tenure mix per se. It is the basis of whether the estate proves to work well and to provide an attractive place to live. If it does, then concerns about tenure mix will recede. If it doesn't, tenure mix is a convenient scapegoat. Increasingly, good quality estate management is the key to this success.

The respondents' references to issues such as fear of crime, anti-social behaviour, litter and estate appearance are not unique to these types of estate. In part they reflect wider societal trends but there are elements which require careful consideration within the context of newly built, mixed tenure estates. In particular they highlight the need to focus upon the activities and behaviour of residents

and the management of the fabric estates, as well as on the tenure structure. Respondents in the different estates included in this study reflected slightly differing opinions which is explained in part by their specific context and details. However, it is more realistic to conclude that the attitudes and reactions of residents, irrespective of what tenure they are in, is not explained simply by fixed elements such as the tenure structure, physical design and layout of the estate alone, but is also strongly influenced by the behaviour and activities on the estate.

Behaviour that would lead people to feel unhappy in a particular neighbourhood could arise, irrespective of the tenure mix. The key is less about the investment or development formula, and more about the management and maintenance formula. If properties and gardens are well maintained, and the appearance of the estate remains good quality, and if the management of problems on the estate means that behaviour and activities that would raise anxieties amongst residents is contained and managed effectively, then these mixed tenure estates are likely to work well. In this scenario, the respondents who are suspending their judgement or have a more positive view will increase in number, and those who are anxious or prejudiced are likely to decline in number.

The determination of what is the best tenure mix is imperfect, and, with the inability to control the level of investment by private landlords, it is impossible in the present environment to engineer a precise tenure structure. In this situation, there should be concern to maximise the quality of design and layout and to start from the strongest base position, but the emphasis will shift towards estate management and maintenance. It may be best to assume that all estates will have tenure mix, but none of them will have the right tenure mix. What should be achievable is the right management and maintenance for the estate whatever the tenure mix is, but this shifts the emphasis away from a formula related to the design and development of the estate, and more towards what happens next. If the estate is well managed, and if problems do not emerge, then the attribution of blame for problems will recede. If problems become more manifest, then the tendency to associate these with some category – social tenants is a convenient one – will continue.

Households buy properties in these estates for a variety of reasons, but are highly satisfied with what they purchase. They are aware of advantages and disadvantages just as they would be if they bought a property anywhere else, and they make judgements about the balance of advantage associated with this. The judgements about the impact of mixed tenure on the estate, the liveability of the estate, or the saleability of properties are not seen to be overwhelmingly important. They do not deter people from purchasing, nor do they lead them to be strongly antagonistic to the notion of mixed tenure estates, nor indeed do the majority of households consider that there is any significant or negative impact likely to emerge.

Some of the issues raised do not derive from the mixed tenure nature of the estate itself but rather from other characteristics – the types of property, the location of the estate, and the wider housing market. Some attitudes reflect the particular needs of household and the stage in their housing career. They reflect calculations about travel to work as well as about housing situation. Different mixed tenure developments have different attributes related to their location, their design and other factors. For the majority of residents in private sector properties, the mixed tenure nature of the development is not of critical importance. Some of them have negative views about this but the negative views are not sufficient to dominate their decisions. There may be households which considered buying on these developments, but did not buy or move to these estates because they disliked the mixed tenure nature. But the reality is that in very few places can residents be certain that there will not be a mixture of tenures.

None of these observations deny the significance of tenure mix for residents and for household decisions about purchase and movement to a particular estate. However, they do suggest that tenure mix is only one element in a package and is not even the most important element. The pattern of responses to the survey suggest that if attention is only given to the tenure mix dimension there is no certainty that levels of satisfaction or the success of these neighbourhoods would improve. Equally, if attention was given to other elements in the package, this may outweigh any concerns related to tenure mix. Tenure mix is not of overriding or overwhelming importance and attitudes to moving to an estate or to the saleability of properties on an estate will not hinge upon tenure mix.

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## Chapter Six

# The impact of mixed tenure on house prices

Some of the questions raised about the capacity to deliver mixed tenure housing developments have been based on a concern about saleability and price. The assumption has been made that property values are adversely affected if housing for sale is in mixed tenure areas, particularly where social housing is present. In this chapter we explore the impact of mixed tenure housing developments on property prices in three of the case study estates.

### House price data

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The house price data used for this analysis is provided by the Land Registry and represents the actual sale prices of properties. The sales information relates to the period from the final quarter 2003 to the final quarter 2004 inclusively, and thus covers the period in which the three estates under analysis were finally completed and captures all open market sales made during the period.

In the analysis we distinguish between the existing second hand market (the resale of existing properties), and the new market (the first sale of new build properties). The analysis presents the house prices at five spatial scales:

- **Specific estate level:** this comprises all new sales falling within a delineated estate area. Only new sales were selected to ensure that only the cohort of the emerging market was represented.
- **Immediate area:** an area not including the estate itself but all property sales within a 500 metre radius. At this level only sales of existing properties are represented.
- **500 metre to 1 kilometre buffer:** both existing and new sales are included. In the majority of cases any new sales identified at this distance away from the case study estates can be assumed to be on a different development.
- **1 kilometre to 2 kilometre buffer:** as with the 500 metre to 1 kilometre buffer.
- **Housing market area:** this represents a wider geography capturing a more holistic housing market. The geographies comprise the following in each case:
  - **Ipswich:** all sales for Ipswich and Suffolk coastal local authorities. The estate site is very close to the border between these two and both sets of transactions were included as an indicative wider market.



- **Southampton:** all sales for Eastleigh and Southampton local authorities, given the proximity of the Southampton, and potential interactions, this data was included into the analysis.
- **Greater Manchester:** all sales for the area.

In all cases both existing and new build sales are included. However, the variance in the type and characteristic of properties included means that the scope for like-for-like comparison is reduced.

In all instances the average price for each dwelling type is presented. Because the average price can be skewed by a small number of exceptionally priced properties, the inter-quintile range is also provided to indicate the upper and lower limits of each market and the variation in market prices in each instance.

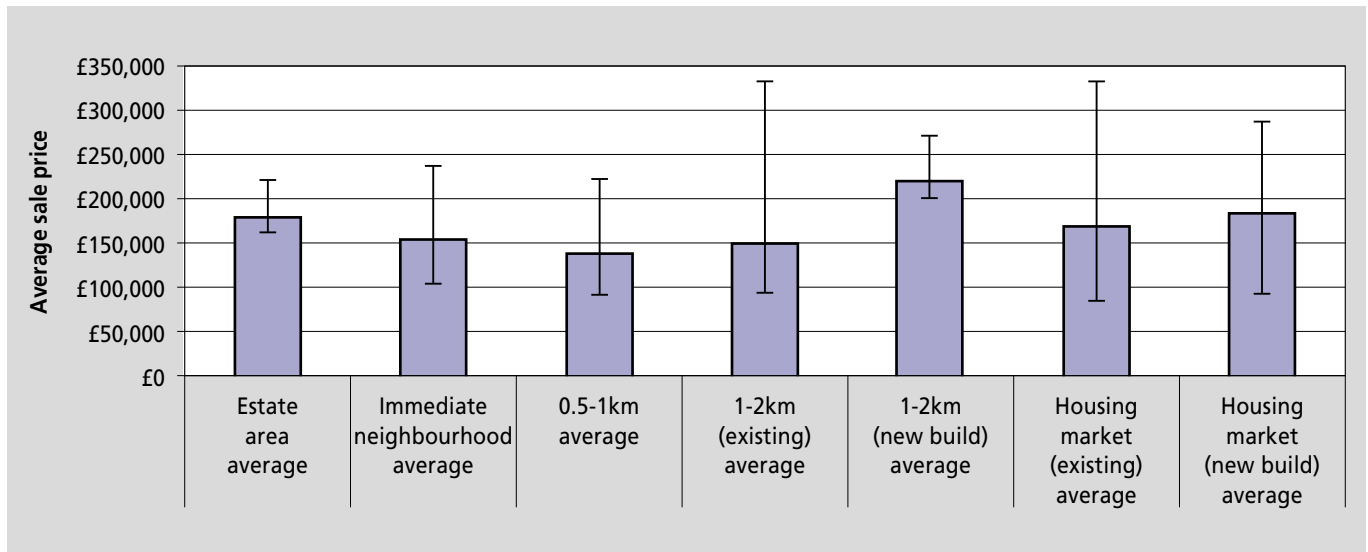
The overall market average presented in each of the graphs is only calculated using flats, semi detached and terraced dwellings due to the nature of variation in the detached properties.

It is important to highlight one cautionary note regarding the data. The Land Registry data records the actual sales price, not the value of the property. This means that anything sold under shared ownership, or similar programmes, is recorded as the percentage of property purchased. In other words, if a property is worth £100,000, but is sold as 50 per cent shared ownership the Land Registry records the sales value as £50,000. Unfortunately the data doesn't flag if the property was sold under shared ownership, so there is no direct way of telling if the discount was due to the programme, or for any other reason. In addition, this data does not provide a detailed analysis of property *composition* (i.e. *number of bedrooms*), so without specialist local knowledge all instances of valuation have to be assumed equal. To these ends, the Land Registry sales data has been used as the best available proxy to indicate values of properties.

## Ipswich

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In the Ipswich housing market, the average sale price of a property in the estate area is just over £9,000 more than in Ipswich's existing market and yet is some £5,000 less than in other instances of new build markets (Figure 6.1). However, the inter-quintile ranges indicate that the estate sits somewhere in the middle of both markets with upper and lower limits somewhere between those in the wider market. This suggests that similar properties were sold on the estate during the period. The large inter-quintile range found in the existing market between 1 and 2 kilometres from the estate indicates diversity in both property and market types, where some properties are considerably cheaper than the new build properties.

**Figure 6.1: House prices in Ipswich (average and range)**

Source: HM Land Registry.

**Table 6.1: House prices in Ipswich**

	Estate area average	Immediate neighbourhood average	0.5-1Km average	1-2Km (existing) average	1-2Km (new build) average	Housing market (existing) average	Housing market (new build) average
Detached	£203,667	£201,069	£186,818	£230,427	£268,022	£264,431	£236,612
Flat	£108,667	£103,875	£95,749	£86,333		£104,987	£146,527
Semi	£190,500	£157,610	£122,863	£130,595	£195,946	£143,113	£166,581
Terrace	£126,667	£143,999	£111,333	£115,721	£210,756	£123,129	£179,637
Average Price	£179,125	£153,545	£137,979	£149,137	£221,518	£169,171	£184,285

Source: HM Land Registry.

Average prices for detached properties across all areas are relatively comparable, although there is a closer relationship between the prices achieved in the estate and its immediate neighbourhood than between the estate and new build elsewhere in Ipswich (Table 6.1). Flats were more expensive in the estate than in the surrounding area, and had a considerably greater inter-quintile range. This suggests that whilst the vast majority of flatted properties provided on the estate were comparable in size with those in the neighbouring areas there may have been some provision of more distinctive and expensive units. However, in relation to the wider housing market values for new build flatted accommodation the average prices achieved on the estate were some £40,000 less. This could suggest either the provision of larger (more bedrooms, etc.) properties elsewhere in Ipswich, or may have something to do with non-built form factors.

The market for semi detached properties appears to be strong in the estate area, and comparable to other new build markets in Ipswich. The values achieved are between £30,000 and £70,000 more than achieved in the surrounding markets.

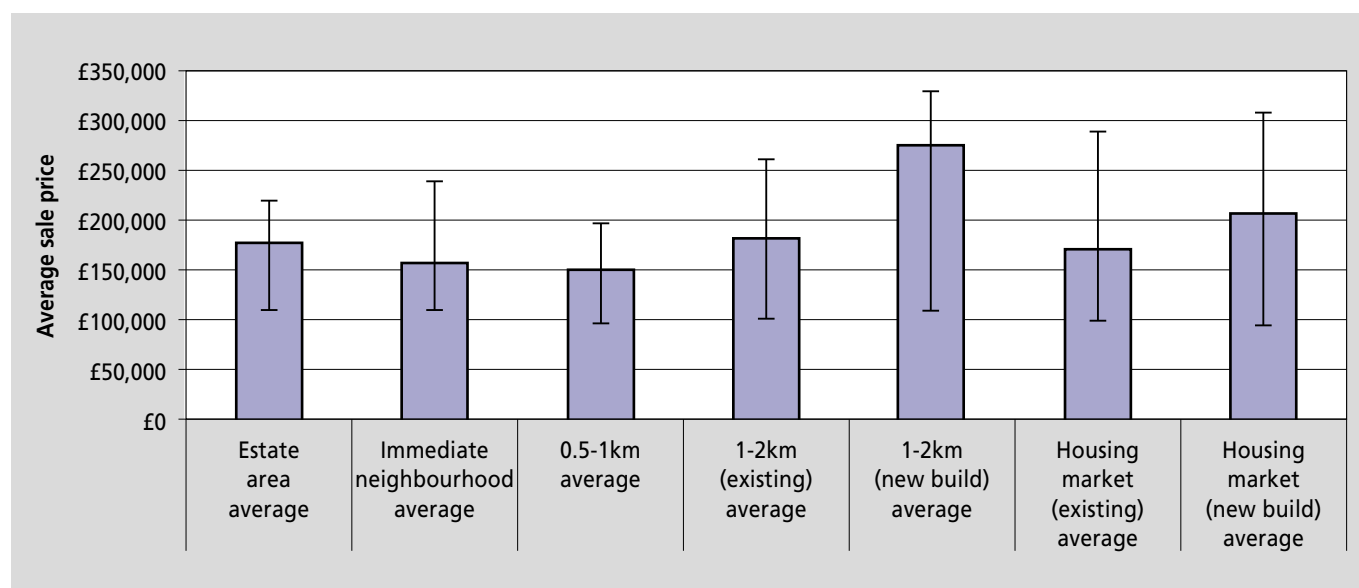
Terraced properties on the estate were comparable to the bottom quintile prices found in the immediate surrounding area, and were considerably less than those found in other new build markets in Ipswich. It is possible that this measure reflects a greater element of existing tenure mix. What is certain is that these properties were all purchased for a similar price across the market.

Overall, analysis of the Ipswich case shows that properties on the estate compete favourably with similar properties in the immediate vicinity. However, within the wider market, the estate is located at the lower-end to mid-range section of the market. It is likely that other contributory factors such as location, property size and neighbourhood type will have a significant factor in the wider market.

## Eastleigh (Southampton)

On the whole, this estate is comparable to almost all of the other markets in the area, aside from new-build in the 1 to 2 kilometre buffer area which returned an average sale price some £100,000 in excess of those in the estate (Figure 6.2). Interestingly, the lower quintile values in the more expensive market are comparable to those found in the estate under analysis. This could suggest that the higher values achieved are probably more to do with the form of property on offer, rather than any other factor.

Figure 6.2: House prices in Eastleigh (average and range)



Source: HM Land Registry.

**Table 6.2: House prices in Eastleigh**

	Estate area average	Immediate neighbourhood average	0.5-1Km average	1-2Km (existing) average	1-2Km (new build) average	Housing market (existing) average	Housing market (new build) average
Detached	£212,000	£192,833	£232,167	£243,599	£362,750	<b>£260,749</b>	<b>£338,910</b>
Flat	£154,858	£121,821	£103,304	£114,938	£120,468	<b>£121,294</b>	<b>£177,716</b>
Semi	£195,644	£179,217	£168,017	£185,392	£231,700	<b>£175,778</b>	<b>£239,052</b>
Terrace	£204,288	£161,601	£149,950	£158,146		<b>£149,203</b>	<b>£231,596</b>
Average price	£175,698	£157,681	£149,172	£182,176	£277,256	<b>£170,968</b>	<b>£207,132</b>

Source: HM Land Registry.

The large variance in market average prices appears to be driven by the detached properties component (Table 6.2). Flats, on average, were sold for some £25,000 more than the values achieved in all of the other market components, aside from in the wider new build market. This, in all probability, reflects the market for new-build flats in Southampton city centre. The lower quintile price achieved for flats in the estate is comparable with the average price achieved elsewhere suggesting that there could be some other intrinsic factor driving the sales price in the estate area. There is little variation in semi detached property prices, although the average price achieved on the estate is some £30,000 less than other new build markets in the wider area. Terraced properties in the estate are noticeably higher in value than all other market forms, although there is a small inter-quintile range. The very low value returned in the wider housing market's lower quintile range may indicate that there was greater provision of affordable housing elsewhere in the wider market.

Overall, the analysis in Eastleigh shows that there is a wide variation in house prices. The estate sits in the middle to lower end of the wider housing market, but is comparable within its immediate vicinity.

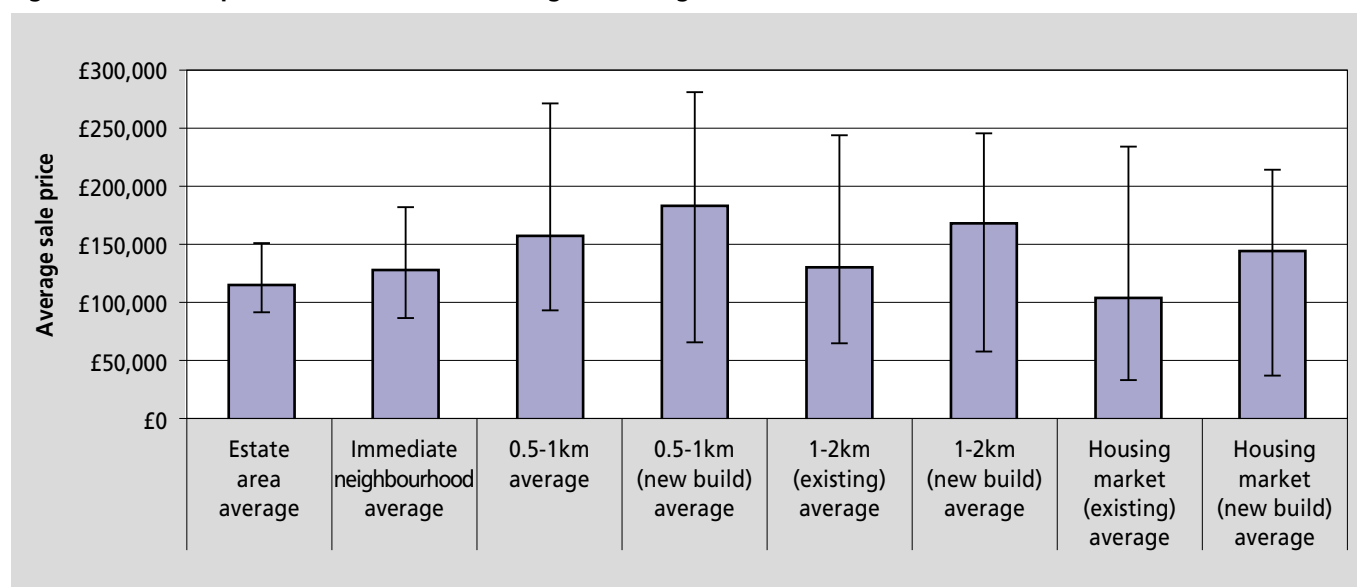
## Manchester

Unlike the two other estates, which were brownfield developments on the edge of major urban areas, the Manchester estate is sited within a distinctive urban context. The diversity of this market is exemplified by the presence of both a booming city centre market for flats and one of the government's HMR Low Demand Pathfinder areas within very close proximity to the estate.<sup>5</sup> These factors should be kept in mind when considering the range of house price sales.

<sup>5</sup> The Manchester and Salford HMR Pathfinder.

The estate compares well with its immediate area, both in terms of average price and range. Its prices are slightly higher than the existing market average for the whole of Manchester, but as the inter-quintile range illustrates this contains a wide dispersion of values (Figure 6.3). One reason for the notably lower values in the other new-build markets may be related to a wider uptake/provision of shared ownership.

**Figure 6.3: House prices in Manchester (average and range)**



Source: HM Land Registry.

**Table 6.3: House prices in Manchester**

	Estate area average	Immediate neighbourhood average	0.5-1Km (existing) average	0.5-1Km (new build) average	1-2Km (existing) average	1-2Km (new build) average	Housing market (existing) average	Housing market (new build) average
Detached	£148,950	£161,907	£295,695		£234,930		£230,089	£204,641
Flat	£110,719	£125,834	£165,375	£188,206	£142,085	£169,041	£116,702	£136,544
Semi	£149,973	£125,084	£160,078	£107,700	£160,782		£116,434	£120,334
Terrace	£130,153	£125,311	£122,178	£129,749	£92,950		£69,558	£133,488
Average price	£115,571	£128,634	£158,268	£184,815	£131,665	£169,041	£106,239	£145,880

Source: HM Land Registry.

During the period sales on the estate were dominated by flatted and terraced properties. Only three detached properties and a relatively small number of semi detached houses were sold on the estate in the period. Given their comparable prices, and also the relatively low prices achieved, it may be suggested that these represent some form of low cost housing option (Table 6.3).

The flats on the estate are noticeably cheaper than all other new build flats across all spatial levels. There is a significant difference between the prices for flats within this area and its immediate market area. The established city living market may in part be driving this trend and these lower prices may pick up in later sales. It is noticeable that new build flats in the estate area have comparable prices with the wider Manchester housing market.

A similar situation exists for terraced properties. Indeed, on average, these were more expensive than all other forms of terraced property in the wider market. The large inter-quintile range found in the terraced market reflects how the low values in the HMR Pathfinder area drags the rest of the market down. The comparable lower-quintile range in the global new build market may indicate that affordable properties are being developed elsewhere.

Overall, the Manchester estate illustrates narrow variation in the local market. This is largely the result of similar products being available in this market. Furthermore, the new development is comparable in value with much of the existing property in the wider housing market. Locational factors and the legacy of the area's reputation may be affecting the values achieved in comparison to the wider housing market areas but these variations cannot be attributed to tenure mix alone.

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## Conclusions

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The overall picture to emerge from this analysis does not support the view that tenure mix reduces property values. There is little difference in sales prices between the case study estates and the immediate housing market. It is safe to assume that locational factors at this level remain similar and variation in property value is more likely to arise from factors specific to the built property form. The limited variation that emerges suggests that within these tightly defined markets, overall tenure mix has no significant impact on values. This is consistent with the views expressed by developers in Chapter Three.

Variations in property prices become more noticeable within wider definitions of the housing market. At the wider spatial scale properties differ in respect of design, layout and age as well as locational factors. All three areas examined here have been developed on brownfield sites (although with varying relationships to surrounding neighbourhood forms). In the case of Manchester the stigmatisation of the neighbourhood has been well documented. Despite some attractions, such as ease of access to city centres, the sites also have their detractions. Property prices are affected by a package of factors and the fact that the developments happen to be next to a railway line or have access to good schooling may have as significant a role in determining values as the mix of tenure.



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## Chapter Seven

# Conclusions and policy implications

This report has indicated the nature of the policy debate surrounding mixed tenure housing developments in the UK in recent years. It has also presented new evidence about the attitudes of developers, residents and other stakeholders in mixed tenure development. The developers who have been involved in this research fall into the category of enthusiastic, willing, or reluctant mixed tenure developers rather than 'refusers'.

Our conclusion from the evidence of this research is that there is no over-riding problem in developing mixed tenure estates and that the concern about the attitude of developers or the impact of tenure mix on saleability or property values is not the central issue in this debate. Rather, the conclusions we would draw from this is that the mixed tenure solution that is being generally referred to is insufficiently specified and relies upon blunt tools to deliver it. The assumption is that mixing tenure creates social mix and that as a result these developments are less likely to be areas with high concentrations of deprivation, high rates of turnover of population and the other characteristics of estates with predominantly social rented housing. Mixing tenure is only one tool which can be employed in a range of measures to promote social mix and it is a blunt tool. The tenure mix that emerges on estates does not match the policy intentions which are blind to private renting. The social mix that emerges is not directly attributable to the tenure mix, but rather to a combination of factors that determine the role and position of the estate in the local and sub regional housing market. These factors include tenure, dwelling type and dwelling size, but also include location and comparative advantage related to the rest of the market. The same estate design formula parachuted in to different market contexts will produce different outcomes and dynamics. As seen elsewhere, meaningful social interaction is grown organically rather than planned and even this is insufficient to prevent concentrations of poverty and deprivation. Nevertheless, as part of a package of measures, mixed tenure developments may contribute to addressing social exclusion and disadvantage and to building new sustainable and balanced communities.

The starting proposition that tenure mix will create a particular kind of income or social mix is flawed. It is based on the assumption that households in particular tenures and especially in the owner-occupied sector have a narrower range of incomes than is the case. It consequently assumes that mixing tenures will achieve income mix; and the policy agenda assumes that quotas for affordable housing will result in a particular tenure mix – and therefore a particular income mix. All of this



is too mechanistic, takes too little account of features of new developments other than tenure that determine who lives in an estate and takes too little account of how the market works in practice and of the different roles that neighbourhoods play in the market. The attempts at social engineering through tenure mix engineering are misguided and take insufficient account of how neighbourhoods fit into the market, and how they change and mature over time. Because new neighbourhoods will largely recruit from a pool of potential movers – often younger and more affluent households – the degree of mix at the outset may be limited (although the role of social renting is important) but this may change as the estate matures. All of this suggests that factors other than tenure should feature much more strongly in policy prescriptions for new developments that are to become successful mixed neighbourhoods.

This research has been concerned with the attitudes of developers and purchasers and their experience of newly built mixed tenure developments. If this form of development is to succeed it is essential that the views of both of these groups are understood and that the research questions outlined in Chapter Two are considered. One of the main concerns expressed about mixed tenure developments has been a concern that mixing tenures has a negative impact on property values. From the analysis we have undertaken here there is no evidence to suggest that mixed tenure alone has a negative impact on property values. Rather, property values are the result of a package of factors. Developers regard mixed tenure as the norm in urban areas because of planning policy. They effectively manage the risk associated with mixed tenure development including the risk of lower property values in a number of ways. Primarily, they manage the risk through a combination of the integration of tenures, identifying a target market, ensuring that there is sufficient quality in the overall design of the development and in ongoing estate management and maintenance.

Purchasers base their judgement of the estates on a number of factors. Location of these estates is as important as their surroundings. However, over-riding most factors is the impact of local housing market conditions. In areas of high demand where supply is constrained, purchasers have limited choice of housing and will accept a choice from what is on offer. Within this choice it is unlikely that there will be opportunities where there is no tenure mix and purchasers appear to be aware of this.

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## **The impact of private renting**

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One of the most important findings of this research has been the illustration of the growing scale of private renting on these estates. Contemporary debate has been blind to the uneven growth and impact of the private rented sector. In some

new build schemes the developers, the local authority and housing associations involved have reached agreement to limit bulk purchases of property in an attempt to limit the impact of private renting. In many cases, however, it is individual and small scale purchase that generates the growth in private renting. Of particular importance has been the development of 'buy to let' mortgage schemes which have facilitated individual investment in property for rent.

The development of mixed tenure housing neighbourhoods and the enthusiasm for policies which set down a requirement for a proportion of new development to be of affordable housing has coincided with the expansion of buy to let. Whereas at one time these kinds of mixed tenure strategies could have been expected to produce estates that consisted of social rented housing alongside owner-occupied housing that is no longer the case. A very substantial part of the development may be bought by investors, in some cases by larger companies, and in other cases by single investors. The outcomes of the policies are therefore quite different than had been intended or anticipated when the policies were devised. If the prediction was that between 25 per cent and 50 per cent of the properties which were sold on the open market would actually emerge as being privately rented, would the template for these estates have been changed?

In the short term, schemes such as buy to let can have a positive impact on the estate. Buy to let and other investment by potential landlords underpins sales for the developer and ensures that there is initial demand for the scheme. However, in the medium to long term the impact on sustainability is unclear. Issues such as the lack of management by absentee landlords and their agents, a high level of empty property or high turnover of residents due to the mobility of private tenants and the possibility of large scale sales if there is a housing market downturn, may all have a negative impact on the estate as a whole. It may be that demand from buy to let investors and the high density apartment development that enables developers to meet both planning requirements and achieve profit margins are driving development of properties for which there is less demand from households to live in – most notably of one and two-bedroom apartment developments. At the opposite end is the use of these properties for housing homeless households without the assurance of adequate support and management of tenancies.

Some of the evidence about buy to let landlords suggests that they are unlikely to adopt high standards of professional property management and in some cases are more concerned with capital value growth than rental income returns (Rhodes and Bevan, 2003). Private landlords as well as their tenants may have different motivations and interests than other landlords and residents. They may be less concerned with the estate as an attractive place to live and pay less attention to property management or the behaviour of their tenants. It may be the private rented

sector rather than the social rented sector that is the threat to the sustainability of these estates.

There needs to be a more direct engagement with the management of the private rented sector, and the impact of a large amount of privately rented housing on new estates. Private landlords along with other owners, should be required to enter into long-term agreements related to standards of management and maintenance of property, and these compacts can form part of a wider neighbourhood management arrangement. Formal agreements are required to ensure high quality estate management. Estate agreements provide a basis for these and should apply to residents and property owners in all tenures. In particular there is a need to incorporate private landlords within this to insure against potential problems of absentee landlordism which may undermine the sustainability of estates.

## **The scope and outcome of tenure mix**

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As already highlighted, mixed tenure policies are premised on a notion of social renting alongside 'market' housing with the assumption that this market housing is for owner occupation. In some established urban neighbourhoods the picture is more complicated with the presence of private renting. The overall significance of tenure mix needs to be treated with considerable caution.

Single tenure estates are not necessarily lacking in social mix and are not necessarily unattractive places to live. Conversely, mixed tenure areas can be areas that are in considerable decline where tenure transfers are associated with lack of demand from owner occupiers. Tenure mix takes on many forms. We should not equate tenure mix with home ownership and social renting: it exists where there is privately rented housing alongside other tenures. The housing market these areas caters for can characterise them more than tenure alone, for example the student market, the young professional market and the residualised market. Furthermore, neighbourhoods mature and change and the determinants of the pattern of change and the attractiveness of neighbourhoods are not related simply to tenure. In particular they relate to the quality of design and built environment, the size, condition and quality of housing, the nature of local facilities and the management safety and security of the neighbourhood as a whole.

Tenure mix alone is insufficient to deliver balanced and sustainable communities. The tools available cannot provide the quality of development required and their implementation leaves too many uncertainties for developers to accommodate them within their financial planning. This research demonstrates that developers are willing to build mixed tenure schemes and that households are willing to purchase properties on them. However, the current operation of the planning system at

the local level does not assist the developer to deliver a high quality product. The present system encourages a trade-off between affordable housing units and housing densities which often results in an imbalance between larger social rented family houses and smaller apartments designed for sale. Where developers are selected as the lead developer on larger schemes there is greater certainty as a result of increased master planning. Yet for ad-hoc and smaller developments, tenure mix is often dependent upon complex negotiations at the planning stage. As a result developers lack certainty in the costings of developments and their viability can be undermined. The new planning obligations outlined in the Planning and Compulsory Purchase Act 2004 could provide the framework within which a wider range of issues related to the sustainability of communities can be referred to in negotiations with housing associations and developers. This will be particularly important if, for example, there is a desire to introduce more variety of sizes and types of property in estates and this requires some adjustment of other expectations if developers are to deliver.

If the ambitions of a sustainable communities' policy are to achieve social interaction within neighbourhoods more is needed than income, social or tenure mix policies. Social interaction may be affected by these policies but other ingredients related to shops, doctors, schools and other social facilities and services as well as wider issues related to employment and affluence and day-to-day interaction through governance and other structures affect how neighbourhoods work. Social interaction is a key to sustainable communities, but is difficult to measure. It presents more of a challenge for policy makers than tenure mix but the challenge has to be faced to effectively foster sustainable communities.

## **Factors influencing successful developments**

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A number of elements were identified both by developers and purchasers as important for successful new build mixed tenure developments.

### **Integration**

Although we have highlighted that the integration of tenure is not significant for purchasers, it is clear that developers would like to adopt a more integrated approach to the layout of estates. Where integration takes place it is more often a product of accident rather than design. Attempts to further integrate tenures is sometimes hindered by the housing associations involved who prefer clustered developments for reasons of housing management efficiency. Whilst we found no evidence that integration hinders sales and property values, the developers suggest that a distinction through layout and design between tenures can have a negative impact on sales.

## **Design**

Among the most important elements for the sustainability of estates are their design qualities. The design of an estate is one of its lasting advertisements for a developer. Furthermore, design plays an important role in exacerbating or reducing noticeable tenure differences. Two fundamental conclusions can be drawn from the evidence in this study. Firstly, the quality of design is important in both attracting purchasers and creating a longer term advertisement for the developer. This point was highlighted by the Urban Task Force. It seems clear from the study here that good quality design does not need to be high cost design but that consideration must be given to the overall model of housing used and to the quality and type of materials used in its construction. Secondly, whatever designs are employed there needs to be consistency between tenures. Those estates which work better have attempted to minimise obvious differences in the design between tenures. This has involved using similar elevations and in some cases providing similar external fittings to the properties but has also necessitated a greater partnership between the developer and housing associations to ensure that it meets the needs and constraints of both parties.

## **Estate management**

Long-term success also involves a well planned and consistent management of the estate. Estate management is crucial to the appearance of the estates and to the liveability of estates. Included in this are elements such as general upkeep of common areas but also more mundane and generic issues such as street cleanliness and rubbish collection. Many developers are good at providing these services either during construction of estates, particularly where development is phased to ensure minimum nuisance for early purchasers, or where developments are based on flatted schemes and leasehold arrangements. Whilst the more enthusiastic developers have embarked on a partnership with the housing associations involved in the delivery of these schemes, there remains a considerable element of scepticism that housing associations can deliver the necessary quality of estate management service to private households. However, in negotiating this through the introduction of their own estate management arrangements they have not had the problems associated with private tenancies in mind. Some developers have also introduced service charges and management costs that may be unaffordable for some households, who might benefit otherwise from affordable housing. These problems need to be addressed if a suitable outcome is to be secured.

In addition there may be an absence of longer-term estate management that embraces properties in different ownerships, leaseholds and freeholds and related to the whole estate and its services. This is a particular challenge where there are no leasehold arrangements in place. Whilst housing associations may provide services to their tenants and ensure land in their ownership is maintained, other estate

management is left to local authorities to deliver, where roads and land are adopted, or to individual householders. This vacuum in estate management has the potential to undermine the success of some estates and requires a mechanism to fill it.

### **Resident management**

Developers' concerns about the selection of the tenants who will occupy any social rented housing on these schemes remain. These concerns are underpinned by some of the attitudes demonstrated in the survey of purchasers. However, as noted earlier, tenants in the social rented sector cannot always be blamed for the problems on estates. Developers interviewed in this study appeared more content with mixed tenure when they had assurances about the selection process used by social landlords. However, all developers demonstrated that they do not consider selection of residents for their own properties to be of importance to the overall dynamics of the estate. In only one of the estates studied did the developer actively engage in the restriction of purchase in order to achieve balance within the estate. This is an element which most developers see as being beyond their control and responsibility, and an element which is controlled by the market, but it may be an issue that developers and others become increasingly concerned about.

## **Implications for policy**

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This research has highlighted that if government is to achieve its vision of sustainable communities new mechanisms will be required to ensure that new estates meet housing need and offer the opportunity for social mix. The present planning system is too rigid and inflexible to facilitate these outcomes. The assumption that the private (non-affordable) housing developed will be owner occupied underlines its failure to deliver the qualitative detail necessary to steer and sustain social mix. Where the specification of developments includes elements such as quality of design, the size and type of properties to be developed and sets out details related to estate management, resident selection and other matters there is a greater likelihood that mix in terms of age, life cycle, household composition and income could be achieved and that the estate will mature as an attractive place to live.

For these estates to work it is clear that a long-term view must be taken. This involves outlining ambitions for the estate at the planning stage and establishing estate plans to map out the future development and management of the estate. There is a need to establish effective governance structures for these estates and to bring all stakeholders together to work in genuine partnership. We have highlighted that it is vital for estates to have good quality management if they are to be sustainable in the long term. Developers must commit to the future of the estates

that they develop to ensure that they remain lasting advertisements for their activity. But other stakeholders, including the local authorities, housing associations and private landlords, must also commit to the future of the estates and guarantee the provision of basic services and maintenance of standards.

The changes to planning obligations proposed through the Planning and Compulsory Purchase Act 2004 should provide a more certain footing on which to plan future housing development. It should be possible to avoid the situation where some developments do not have a mixed tenure element while others are dominated by high density apartments. For developers to be willing partners in this process they require the certainty of expectations regarding numbers and types of affordable units, design and layout and other commutable sums in order that they can evaluate the financial viability of schemes at the outset and set out the implications of these requirements. If political will is there, these changes could be utilised even more effectively by providing a framework for planning contributions which not only meet immediate needs, such as affordable housing and open space, but also for future requirements on these estates. Long-term maintenance of public open space and the provision of services and amenities for the use of residents requires planning and commitment beyond the development of these sites. The new changes to planning agreements would enable local planning authorities to seek contributions towards the future needs of the estate.

These estates also require new governance structures for sustainability goals to be met. Our research has highlighted how there is a lack of continuity and consistency in the governance of space and management of behaviour on these estates. Differences in the codes of conduct for residents, their visibility and interpretation and their enforcement vary according to tenure. Whilst there are penalties for non-adherence for tenants of social landlords, tenancy enforcement for private tenants is often ad-hoc or non-existent. Enforcement of covenants on freeholders is minimal. Despite this, there is a common desire for a consistency in standards across estates.

Consideration should be given to the development of estate agreements to form a minimum level of commitment to governance on new developments. Estate agreements have been used, predominantly by social landlords, to ensure tenant participation in the governance of housing schemes (Cole and Smith, 1995). Whilst social landlords provide some certainty on estates, the actions of individuals, and in particular private landlords and their tenants, need to be accountable. Common estate agreements can set out a recognised standard of maintenance for the estate to be upheld by all residents. This measure can mitigate against potential problems which may arise from private rented properties by establishing a standard of management, occupancy of the property (including limits on void periods) and the possibility to buy into basic management services offered by an

approved management company. Such a scheme has benefits to all stakeholders as a precaution against the negative actions of a minority and providing confidence for all residents that their environment and assets will be protected.

If estate agreements are to be successful in their implementation and subsequent enforcement there is a need for a governance structure and accountable body. Presently such governance is fragmented between different agencies (e.g. the local authority, housing association and managing agent) or is too distant (e.g. covenants policed by the local authority). There is a growing need for an accountable body with visible responsibility for ensuring the quality of environment and services on these estates. This structure could, for example, take the form of a community trust. Community land trusts already exist to ensure the provision of housing to meet local needs predominantly in local areas (University of Salford, 2005) and have been proposed by the government as a means of securing publicly owned land for the delivery of affordable housing. There is scope to extend the use of community trusts to urban neighbourhoods, and in particular new build housing estates. These trusts would be funded by contributions from all residents and could play both an administrative function, in the procurement and delivery of common services, and a democratic function in setting the aims and aspirations of the neighbourhood and its residents. Furthermore, these trusts would provide the basis for the common monitoring and enforcement of estate agreements to ensure that poor management does not undermine the estate.

As one of the developers in this research stated:

*... that's important so both sectors are under the same umbrella and also both sectors can be seen to be making a contribution to the long term on costs of estate management ...*

There are already examples of bodies being formed to take on some of these functions. Our Birmingham case study has an estate services company designed to ensure a common standard of estate management for owner occupiers, private and social renters and there are strong examples from older neighbourhoods that have effective continuing and cross-tenure estate management (Groves *et al.*, 2003). For community trusts to be effective there needs to be legislative change. However, the benefits of bringing together longer-term vision, ensuring the delivery of services on these estates and providing a meaningful accountable body outweigh the possible loss of power by any one stakeholder of the estate.

All of the issues referred to in this study emphasise the need to move the debate about new sustainable communities on. It needs to move on from a preoccupation with tenure mix, social mix and income mix towards other issues. This preoccupation is increasingly out of step with the nature of the market, the development of private renting, the maturation of neighbourhoods and the views



and expectations of both developers and individual households. It attributes too much importance to tenure in determining what makes a neighbourhood work and diverts attention from concerns related to high density and high turnover or the advantages associated with high quality design, a mix of property sizes and types, and effective long-term management and enforcement of standards. Successful and sustainable new estates will need more than tenure mix and other elements as well as longer-term governance arrangements must be built into the policy agenda.

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